FINAL ANNUAL REPORT

ON THE PERFORMANCE OF

KAROO HOOGLAND MUNICIPALITY

FOR THE 2016/2017 FINANCIAL YEAR

IN TERMS OF
SECTION 46 OF THE LOCAL GOVERNMENT MUNICIPAL SYSTEMS ACT, 2000
AND
SECTION 121 OF THE MUNICIPAL FINANCIAL MANAGEMENT ACT, 2003

DRAFT : 31 AUGUST 2017 SUBMITTED TO AUDITOR GENERAL
FINAL : January 2018
Tabled to Council : 30 January 2018
Submitted to AG & NT : 31 January 2018
Advertised to public for input : 5 February 2018

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CHAPTER 1:

MAYOR'S FOREWORD & EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FORWORD

As the then newly elected Mayor on 19 August 2016, I confirm that our aim is to build the capacity of Karoo Hoogland Local Municipality to facilitate effective transparent governance and sustainability so that Council is able to meet the community's needs consequently.

Due to the Elections on 3 August 2016 the new Council inherited an already approved Budget for 2016/2017 and received a Qualified Opinion on the Audit Report.

Financially the municipality is in a stable condition. The new Councillors attended an Induction course in municipal affairs during September 2016 as well as MPAC and Finance Committee training during January and February 2017.

Reflecting back on the previous years the municipality is sustainable and services were rendered to the various towns and communities.

Public participation

Meetings were held with the community regarding the IDP and Budget. Council also held community meetings before their Council meetings in each ward. Only a few ward committee meetings were held in three of the wards during the year. During February 2016, March 2016 and April 2016 Budget and IDP meetings were held with the community for the 2016/2017 Budget. During 2016/2017 the Budget and IDP meetings were held in February 2017, March 2017 and May 2017 for the 2017/2018 Budget.

During this programme the Council visited all the wards in the Municipal jurisdiction and interact with the community in the following manners:

- Sector meetings e.g. Meetings with the youth bodies, businesses and church organisations.
- Door to door assessment of the conditions of the residents (profile assessment form)
- Community meetings
- An attempt to have an IDP Representation forum meeting on 10 May 2017, but however due to other departments with prior arrangements it could not be held. At the IDP Evaluation meetings in Upington in May 2017 Karoo Hoogland Municipality were thanked for their good presentation and received a very good outcome for the evaluation.

In trying to adhere to the projections of the National Development plan we as Karoo Hoogland Municipality have worked on a few projects during the 2013/2014, 2014/2015, 2015/2016 and 2016/2017 financial years. The following are some of the salient projects to be undertaken over the medium-term.

They include:

- Paving of all streets in all three towns;
- Development and upgrading of new sports grounds;(commenced in 2016/2017) (MIG 1307) (Sutherland)
- Electrification projects;(2017/2018)
- Bulk water projects in Sutherland (Commenced in 2015/2016);(MIG 1358)
- Sutherland Internal Water network;(Commenced in 2015/2016) (MIG 1255)
- Rebelskop Stormwater project; (Commenced in 2015/2016) (MIG 1215)
- Williston Bulk water supply – Williston Streets & Stormwater (Commenced 2014/2015); (MIG 1446)
- EPWP upgrading of streets projects (annual allocation)
- CWP project for 180 Sutherland workers, 180 Fraserburg workers and 190 Williston workers commenced in 2016/2017
- Upgrading of road in Sutherland : Jupiter Crescent (Khotso Pula Nala Funds in 2016/2017)

The elections is now something of the past and will the newly elected Council have the opportunity to build on a stable municipality and to enhance the development of the future with new planning and projects to fulfil the service delivery to the communities.

The vision and mission of Karoo Hoogland Municipality must always be in our minds as the Council strives to reach a higher goal.

I have been newly elected to Council as a Councillor and elected to be Mayor in August 2016. Though I have only served on Council since August 2016, I am very proud of our accomplishments.



Ms VC Wentzel (Mayor)

Mayor
22 January 2018

COMPONENT B : EXECUTIVE SUMMARY

1.1 (ACTING) MUNICIPAL MANAGER'S OVERVIEW

Karoo Hoogland Municipality's Annual Report for the 2016/2017 financial year was compiled in line with the Local Government Municipal Systems Act 32 of 2000, the Local Government: Municipal Finance Management Act 56 of 2003, as well as other legislation which governs local government.

The 2016/2017 Financial Year audit outcome is the same as the 2015/2016 financial year which is a qualified opinion with two qualifications. Efforts to reduce the qualifications are implemented and Mubesko assist the municipality with the qualification on PPE. This is an indicator that the municipality is currently stable and that substantial progress has been made since 2012/2013. The audit strategy of the external auditors will however change substantially for the audit of 2017/2018 due to the implementation of mSCOA.

A service provider was also appointed to assist the municipality with the implementation of performance management system within the municipality. It was also communicated that the auditors will focus on auditing performance management for the 2017/2018 financial year.

The municipality has implemented mSCOA with the assistance of the service provider but there is still a lot to be done to be fully compliant. The service provider however has given us the assurance of total commitment in order to be compliant.

An Organogram with job descriptions that was task evaluated were completed after three years. Outstanding financial issues of the previous year were addressed. Various policies and by-laws were revised, rewritten and approved. Attention were given to infrastructure within the budget of the municipality. The Medium Term Strategic Framework states that improvements in Service Delivery have to be complimented by effective accountability to the community.

In line with the Batho Pele Principles, which serves to ensure effective and efficient service delivery, it is therefore critical to identify areas that need improvement in order to serve all communities with integrity and excellence.

Management wish to express its appreciation to the political leadership for the opportunities that they gave us to serve the people of Karoo Hoogland. The personnel's efforts in implementing the municipality's mandate, contribute to make a difference in the quality of the lives of our community.

Mr SJ Myburgh
ACTING MUNICIPAL MANAGER
23 January 2018

VISION

Karoo Hoogland will be an economical growth node in the Northern Cape, earmarked by active community participation. Council must create an environment that will **enhance economic development** with specific focus on **poverty alleviation** and the creation of direct and indirect **job opportunities**.
Residents will have direct **access to basic minimum services** and a culture of pay for services must be promoted. Special focus on the **development of life skills**, **infrastructure** and **education** will add to economic growth.
To provide an **affordable quality service** to inhabitants and visitors in Karoo Hoogland municipal jurisdiction and to execute the policies and programs of the Council.

A **safe and healthy** environment must be ensured for the communities of Karoo Hoogland.

MISSION

As an authority that delivers municipal services to Karoo Hoogland municipal jurisdiction, we attempt, by means of a motivated staff, to develop Karoo Hoogland municipal jurisdiction increasingly as a pleasant, safe and affordable living environment and workplace for its residents - and a hospitable and relaxed visiting place for its visitors.

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

The Municipal Systems Act, Act 32 of 2000 states that:

• A Municipality is a state of organ within the local sphere of government exercising legislative and executive authority within an area determined in terms of the Local Government Municipal Demarcation Act, 1998

• It consist of –
  - the political structures and
  - administration of the municipality and
  - the community of the municipality

As stated by the act above. The Municipality represent the interests of the community and must take decisions that are reasonable and in the interest of the community. Municipalities cannot take decisions if the following issues are not taken into consideration. The IDP and the budgeting processes are affected by the following issues.

(*Stats SA served as the source of information for the following information.)*

Karoo Hoogland Municipality consists of Sutherland, Williston and Fraserburg and surrounding rural areas.

The municipality comprises an area of 32 274 km^2 and falls within the area of jurisdiction of Namakwa District Municipality.

Houses	* 2194	(Households serviced)
Households billed:	* 2309	
Population	* 12588	(Census 2011)
Registered erven	* 4398	
Total Households	* 3094 (Including Rural areas)	
Indigents as at 30/06/2017	* 818	

Households with access to water and basic services: 2194

Households with access to sanitation:	2194
Households with access to electricity:	2194
Households with access to refuse removal:	2194

Karoo Hoogland Municipality have a total population of approximately **12 588** according to STATS SA Survey done in 2011. Karoo Hoogland is situated in the most Southern part of the Northern Cape and falls within the area of jurisdiction of Namaqua District Municipality with its head office located in Springbok. The three main towns in Karoo Hoogland are Williston, Fraserburg and Sutherland which are respectively 499 km, 592 km and 539 km from Springbok. Karoo Hoogland Municipality is devided into 4 Wards and there is an estimate of 2194 houses and 2309 households in the towns serviced by the Municipality.

	TOTAL POPULATION 2016 (STATSSA 2011)	PERCENTAGE OF TOTAL POPULATION PER WARD IN 2016 PER CURRENT MUNICIPAL IDP	CORRECT AMOUNT OF HOUSES PER WARD AS PER FINANCIAL SYSTEM OF KHM	AVERAGE PEOPLE PER HOUSE-HOLD = POPULATION / HH	AVERAGE AMOUNT OF REGISTERED INDIGENT HOUSE-HOLDS on average for 2016/2017	HOUSING BACKLOG AS AT 2016 (HOUSE-HOLDS)	BACKYARD DWELLERS AS PER IDP 2009 - 2011
TOTAL POPULATION (STATSA 2011)	12588	100%	3094		840	800	215
POPULATION : SUTHERLAND : WARD 4	2836	19%	**630**	4.5	220	250	39
POPULATION : FRASERBURG : WARD 2	3029	23%	**837**	3.6	370	130	116
POPULATION : WILLISTON : WARD 1	3368	27%	**727**	4.6	250	300	60
POPULATION : RURAL AREAS : WARD 3	3355	31%	900	3.7		120	

POPULATION DISTRIBUTION IN KAROO HOOGLAND MUNICIPAL AREA

Fraserburg : 23% of total population

Non Urban areas (Rural) : 31% of total population

Sutherland: 19% of total population

Williston : 27% of total population

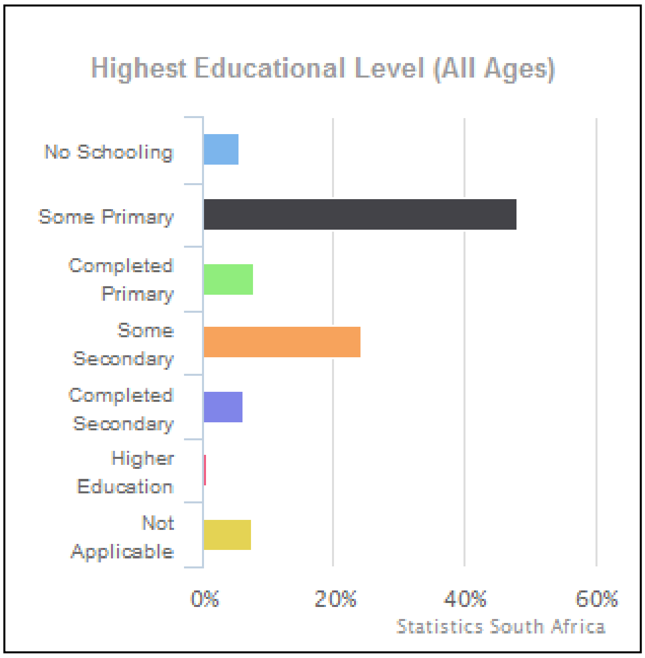
It is evident that the most significant portion of Karoo Hoogland's urban population resides in Williston (27%). The Karoo Hoogland LM also has a large rural population, with 31% of its population residing in the non-urban (NU) regions within the Municipality which covers approximately 99% of the LMs geographical area.

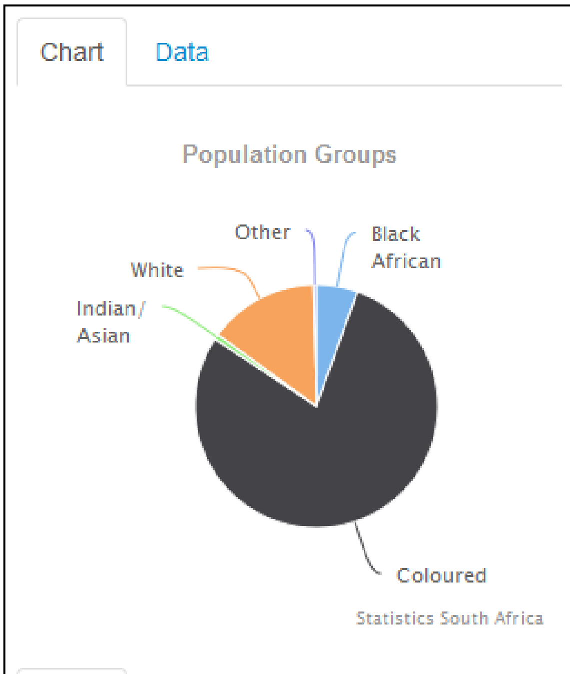
The age distribution of a population is important because the largest age group inevitably indicates its own demands on the market. A large number of residents are still dependant on government grants. This tendancy in it self have a negative influence on the payment of services and a total approximately 900 households are subsidiced by the service subsidized scheme monthly.

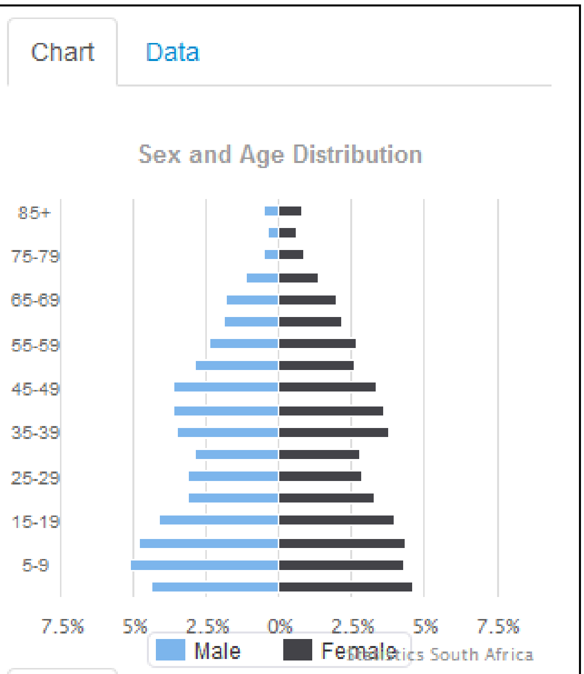
The Karoo Hoogland population can be regarded as having a high **dependency ratio**. With **10%** of the population over the age of 65 and **27.7%** are under 15 years. *The latter youth group will be demanding education, housing and jobs in the near future.* The Karoo Hoogland gender distribution is 49.7% males and 50, 3% females.

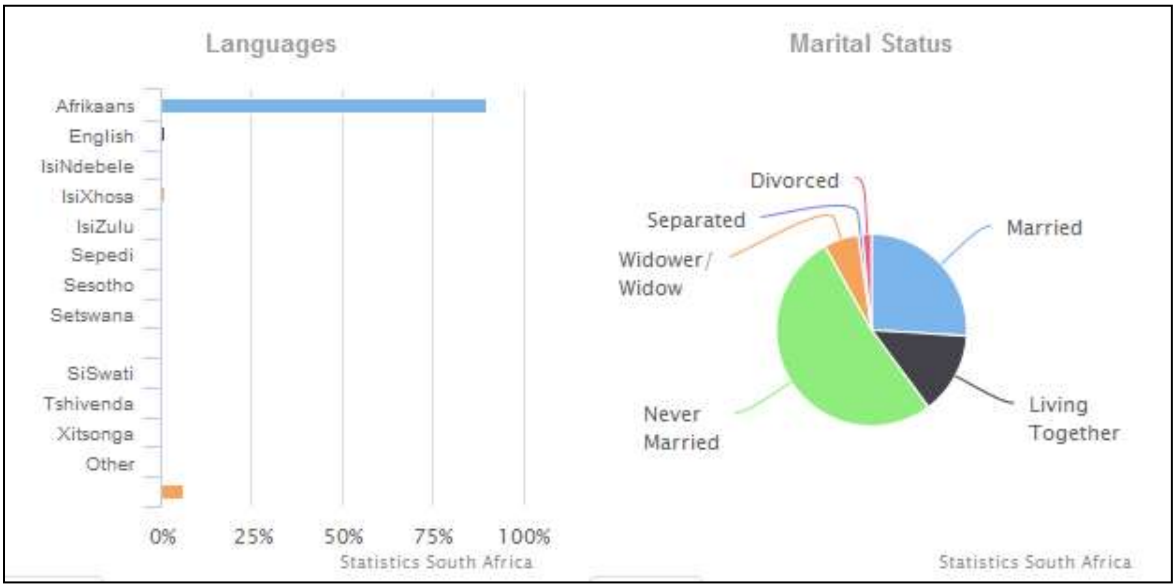
According to Census 2011, Karoo Hoogland Municipality has a total population count of 12 588, of which 78,9% are coloured,14,6% are white, with black African, and Asian/Indian making up the remaining population. Of those aged 20 years and older, 26,5% completed some secondary schooling, 21,1 % completed some primary schooling, 18,4% have no schooling, 16,9% completed Grade 12, and 7,4% completed primary school.

Key Statistics	2011
Total population	12,588
Young (0-14)	27,7%
Working Age (15-64)	62,3%
Elderly (65+)	10%
Dependency ratio	60,5
Sex ratio	98,7
Growth rate	1,8% (2001-2011)
Population density	0 persons/km2
Unemployment rate	14,6%
Youth unemployment rate	20%
No schooling aged 20+	18,4%









The average population growth rates between 2001 and 2010 are as follows:

- Northern Cape Province (0.3%)
- Namakwa District Municipality (-0.1%)
- Karoo Hoogland Local Municipality (-1.7%) And from 2010 - 2016 (1,8% growth)

Wards within the Municipal Boundaries:

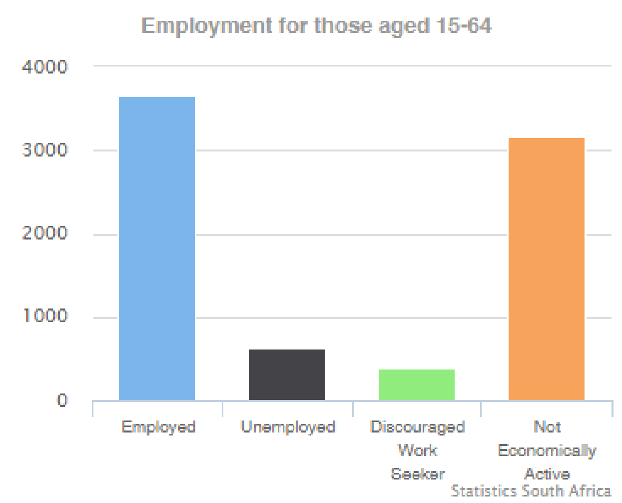
- Ward 1- Williston
- Ward 2- Fraserburg
- Ward 3- Rural surroundings
- Ward 4- Sutherland

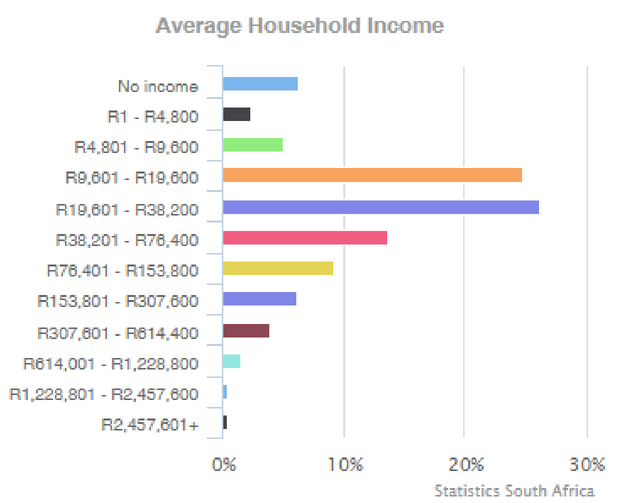
ITEM	NUMBER BY 2011
POPULATION	12 588
POPULATION GROWTH	1,8% (according to Statssa website)
UNEMPLOYMENT RATE	14,6%
YOUTH UNEMPLOYMENT RATE	20%
HIGHER EDUCATION AGED 20+	8,7%
MATRIC AGED 20+	16,9%
HOUSING OWNED/PAYING OFF	47,3%
HOUSEHOLDS (TOWNS & RURAL)	3378
HOUSES IN TOWNS	2194
HOUSEHOLDS LEVIED FOR SANITATION	2309
AVERAGE HOUSEHOLD SIZE	3.6 – 4.7 people
REFUSE DISPOSAL	Refuse Removed by local authority/Private : 2194
WATER	Piped water inside dwelling : 1596 Piped water inside yard : 598 Access to water : All households- 2194 Municipal boreholes : 15 (water sources for towns)
TOILET FACILITIES	Total sanitation accounts levied : 2309 Flush Toilets connected : 702 Flush toilet with septic : 798 UDS Toilet : 809 serviced by Municipal Contractor
ALL HOUSEHOLDS HAVE ACCESS TO WATER, SANITATION AND ELECTRICITY	100%

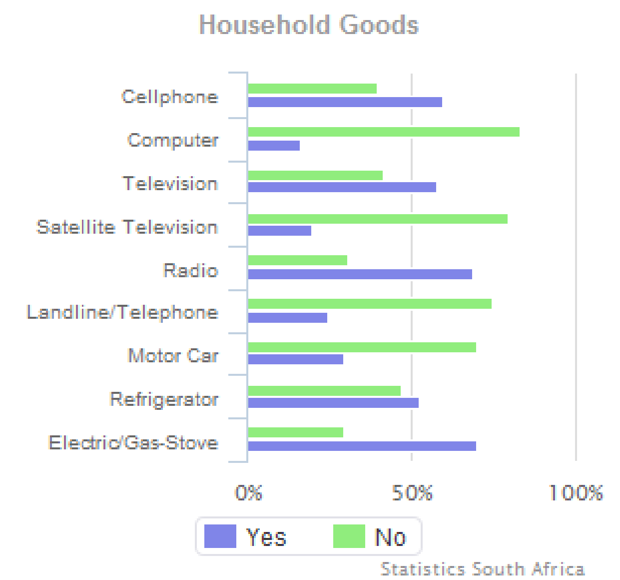
Population Details

Age	2014/15			2015/16			2016/2017		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 14	1381	1492	**2873**	1407	1523	**2930**	1433	1554	**2987**
Age: 15 - 24	900	943	**1843**	918	961	**1879**	946	1003	**1949**
Age: 25 - 40	1131	1235	**2366**	1154	1249	**2403**	1195	1267	**2462**
Age: 41 - 64	1659	1794	**3453**	1672	1811	**3483**	1687	1829	**3516**
Age: 65+	610	653	**1263**	604	659	**1263**	628	694	**1322**
Total			**11798**			**11958**			**12236**
Source: QUANTEC and estimated amounts									
			11798			**11958**			**12236**
			2015			**2016**			**2017**

SOCIO ECONOMIC STATUS







Overview of Neighbourhoods within Karoo Hoogland Municipality				
	2016		2017	
Settlement Type	Households	Population	*Households*	*Population*
Towns	3094	12 588	3094	12 588
Williston	727		727	
Fraserburg	837		837	
Sutherland	630		630	
Rural Areas	900		900	
Sub-Total				
Total	**3094**	**12 588**	**3094**	**12 588**

COMMENT ON BACKGROUND DATA:

Demographic information constitutes the bedrock of all socio-economic planning. The collection, analysis and dissemination of accurate demographic information enable policy makers to plan for the future development of a country. Issues such as the future size of the labour market, unemployment, job creation, poverty and environmental degradation are intrinsically linked to demographic processes. It is therefore important to base future development policies and programmes on the most accurate demographic information available.

2011 Census Data : Population data and also STASSA data has been used. All the information from STATSSA cannot be used as the amount of households for 2011 as per their website are incorrect, therefore the amount of Households have been extracted from the municipality's financial system. The current population figures from STATSSA are being used. However the average amount of people per household from STATSSA cannot be used and was recalculated as per the current population and households being used.

The Total Indigent population are being calculated as follows: All the registered indigent households plus the housing backlog - then that figure are being multiplied with the average amount of people per household to get the total indigent population. As per the IDP document of 2009 – 2011 there were a few backyard dwellers and those people are also being added to the figure calculated above.

1.3 DEVELOPMENT GOALS

With our vision and the above as guidelines, the input and needs of the inhabitants as a base and the background information, which the Council already has, the following prioritized areas of potential have been identified for developments in the Municipal area:

- KAROO HOOGLAND MUNICIPALITY must make a positive contribution to the sustainable growth and development within its boundaries with special reference to economic and social youth development.
- To further enhance the current infrastructure with special reference to basic services and roads.
- The promotion of a safe and tourism friendly environment should be furthered in order to promote tourism and investor interest in the region. (*Tourism, i.e. eco-tourism, agri-tourism and astro-tourism)*
- The promotion of human resources within the organization through apprenticeships and skills development.
- To better the involvement of social organizations and churches.

CHALLENGES FACED BY THE MOST POVERTY STRICKEN WARDS

- High rate of teenage pregnancies
- Increase in drug and alcohol abuse
- HIV/AIDS
- Education and literacy
- Lack of basic life skills
- Increase in crime
- Tuberculosis
- Domestic violence
- High unemployment rate

1.4 NORTHERN CAPE PROVINCIAL GROWTH AND DEVELOPMENT PLAN VISION 2030

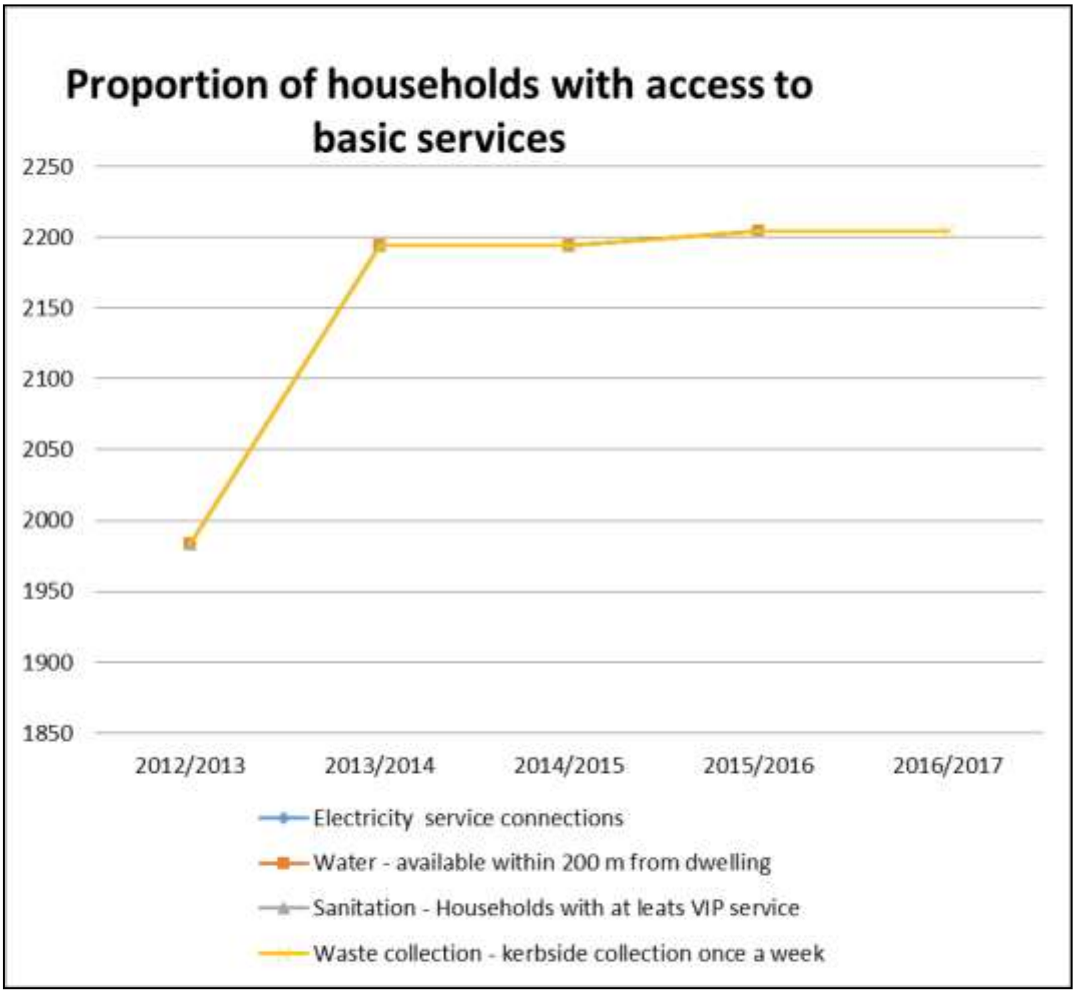
The Northern Cape Provincial Growth and Development Plan – Vision 2030 will offer a long term perspective when it is finalised. As a long term strategic plan, it MUST serve four broad objectives:

- Providing overarching goals for achieving by 2030
- Building consensus on the key obstacles and what needs to be done to overcome these obstacles to achieve the 2030 goals
- Provide a shared long term strategic framework within which more detailed planning can take place in order to advance the goals set in this document for 2030.
- Creating a basis for making choices about how best to use limited resources

The NC PGDP is currently being revised where-after the vision will be incorporated in Karoo Hoogland's IDP to align the vision for 2030.

1.5 SERVICE DELIVERY OVERVIEW

The Municipality deliver services to Williston, Sutherland, Fraserburg and surrounding farms.



SERVICE DELIVERY CHALLENGES FACED BY THE MUNICIPALITY

- With reference to the provision of basic services (water, electricity and sanitation) the municipality does not face any serious challenges as all households in the municipality receive basic services such as electricity, water and sanitation.
- The major challenge is to address the **housing backlogs** as well as the backyard dwellers in all three towns as well as the road infrastructure.
- With the current drought situation it is inevitable to try and source new water resources and find new viable boreholes

ELECTRICITY

The Municipality supplies electricity to Fraserburg and part of Williston. A part of Williston (called Amandelboom) as well as Sutherland and the rural areas are serviced by ESKOM.

WATER

All households in the Karoo Hoogland Municipal area have access to water.

SANITATION

- All households in the Karoo Hoogland Municipal area have access to basic sanitation.
- Some of the erven in all three towns are connected to a waterborne sewerage system.
- Some erven are still equipped with sewerage drains and the sewerage is removed with sewerage removal vehicles.
- The balance of the erven has dry sanitation toilets, which are also serviced by the municipality.

ROADS

- The Municipality is only responsible for the maintenance of certain secondary roads in the three towns.
- The main roads in the three towns as well as the roads in the rural area are provincial proclaimed roads.
- The tar roads are not in a good condition and will have to be resealed in the future.

LANDFILL SITE

There are landfill sites in each of the three towns and need to be upgraded in the future to comply with regulations and to the specific conditions of the licences. The landfill site in Fraserburg is licensed with a permit. The licensing of the Williston and Sutherland landfill sites were done and received in 2016/2017 year.

ACCESS TO ESSENTIAL SERVICES

- The Municipality deliver all essential services in Williston, Fraserburg and Sutherland.
- All households have access to water.
- All households have access to sanitation.
- All households have access to electricity.
- All households have access to refuse removal.

The Municipality deliver services to **818** indigent households. (as at 30 June 2017)

1.6 FINANCIAL HEALTH OVERVIEW

AUDITOR GENERAL REPORT

The Auditor General's Report on the 2016/2017 Financial Year was only received on 1 December 2017. The Municipality did submit annual financial statements for the year under review on 31 August 2017. The outcome is a **qualified opinion** with **two qualifications**. The qualifications is on PPE and commitments. The municipality make use of a service provider to assist with the PPE qualification. The qualification on commitments is addressed internally by the officials of the municipality. Other matters is also addressed internally with the guidance of the completed audit action plan.

COMMENTS ON THE ANNUAL REPORT PROCESS

The Annual Financial Statements for the 2016/2017 was completed and handed in on 31 August 2017. The Municipality does not have a Performance Management System in place but is dealing with this matter in the 2017/2018 financial year. An Audit Action Plan was developed to address the queries and qualifications in the Auditor General's Report for the 2016/2017 financial year and it was submitted to the relevant authorities as required by legislation.

FINANCIAL OVERVIEW

Financial Overview - 2016/2017			
Details	***Original budget***	***Adjustment Budget***	***Actual***
Income			
Grants	R 21,246,000.00	R 20,706,000.00	R 23,758,709.00
Taxes, Levies and tariffs	R 27,631,000.00	R 29,631,000.00	R 21,821,074.00
Other	R 2,818,000.00	R 2,818,000.00	R 4,603,867.00
Sub Total	R 51,695,000.00	R 53,155,000.00	R 50,183,650.00
***Less* Expenditure**	R 51,635,000.00	R 53,095,000.00	**R 57,926,290.00**
Net Total*	R 60,000.00	R 60,000.00	-R 7,742,640.00
* Note: surplus/- deficit			

Operating Ratios		Actuals
Detail	**%**	
Employee Cost	35%	R 20,120,087
Repairs & Maintenance	3%	R 1,779,061
Finance Charges	2%	R 1,282,049
Impairment	8%	R 4,544,682
General Expenses	52%	R 30,200,411
TOTAL expenditure		**R 57,926,290**

1.7 ORGANISATIONAL DEVELOPMENT OVERVIEW

A total of 70 permanent employees and a Municipal Manager with 2 directors were employed as well as 20 contract employees were employed. The Organisational structure was reviewed from 2013 until 2015 and a new Organogram were approved on 9 December 2015 with 93 posts. Personnel Placements onto the new organogram started in June 2016. All positions on the new Organogram now have task evaluated job descriptions.

1.8 AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT YEAR 2016/2017

Karoo Hoogland Municipality received a **qualified audit opinion** for the third year in a row now (2014/2015 & 2015/2016 and 2016/2017). Karoo Hoogland Municipality received a disclaimer audit opinion for the 2013/2014 financial year. The Municipality was qualified on PPE for 2014/2015 and qualified for Commitments, Cash flow, Fruitless and Wasteful expenditure and Taxes for 2013/2014 that was not resolved in 2014/2015. In 2013/2014 the Municipality did receive a disclaimer with a total of 18 qualifications. Therefore it clearly indicates the substantial improvement from the previous year's AFS and Audit Report. For the 2015/2016 the only qualifications received was for PPE and Investment Property. For the 2016/2017 the municipality was qualified on PPE and Commitments.

A quick overview of the progress in Audit Opinions of the past few financial years can be found in Chapter 6.

1.9 STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 1 Annual Report to Internal Audit and Auditor-General	
5	Selected personnel submit draft annual report information to admin officer for compilation of Draft Annual Report before the 10th of the month	
6	Audit/Performance committee considers draft Annual Report of municipality	August
7	Mayor tables the unaudited Draft Annual Report	
8	Municipality submits Draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
9	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
10	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
11	Municipalities receive and start to address the Auditor General's comments	30 November

12	Draft Annual Report being finalised with updated information from officials	December
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Final Annual report tabled to Council	January
17	Final Annual Report submitted to necessary Departments and AG and Treasury	
18	Council adopts Oversight report	February
19	Oversight report is made public	
20	Oversight report is submitted to relevant provincial councils	March
21	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	

CHAPTER 2 : GOVERNANCE

Chapter 3, Section 18, of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) provides that:

- Municipalities must have a municipal council.
- A municipal Council must meet at least quarterly.
- A municipal council consists of a number of councillors determined by the MEC of Local government and traditional affairs in the province concerned by notice in the government gazette.
- A municipality has the power to designate councillors determined by the MEC for Local government and traditional affairs as full time. An MEC's determination must be in accordance with policy frame work as determined by the Minister after consulting the MECs for Local government and traditional affairs.

Chapter 7, Section 152(1) of the Constitution of the Republic of South Africa, 1996, states the following objects of local government:

- To provide democratic and accountable government for local communities.
- To ensure the provision of sustainable services to communities.
- To promote social and economic development.
- To promote a safe and healthy environment.
- To encourage the involvement of communities and community organisations in matters of local government.

Chapter 3, Section 19(2), of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) states that a municipality must annually review:

(a) the needs of the community;
(b) its priorities to meet those needs;
(c) its processes for involving the community;
(d) its organisational and delivery mechanisms for meeting the needs of the community; and
(e) its overall performance in achieving the objectives referred to in subsection (1).

Section 19(3) of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) determines that a council must develop mechanisms to consult the community and community organisations in performing its functions and exercising its powers.

The Municipal Demarcation Board annually undertakes capacity assessments of all local authorities in South Africa and makes recommendations to the Provincial MEC of Local Government with regard to the capacity of each municipality to perform its functions in terms of the Municipal Structures Act. The powers and functions of KHM were not adjusted for the year under review. The municipality still performs 21 functions which is more than the average of 20 in our province.

COMPONENT A : POLITICAL AND ADMINISTRATIVE GOVERNANCE

Chapter 7, Section 151 of the Constitution of the Republic of South Africa, 1996, defines the status of municipalities as follows:

(1) The local sphere of government consists of municipalities, which must be established for the territory of the republic.

(2) The executive and legislative authority of a municipality is vested in tis municipal council.

(3) A municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provided for in the constitution.

(4) The national and provincial government may not compromise, impede a municipality's ability or right to exercise its powers or perform its functions.

Public Meetings					
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Dates and manner of feedback given to community
IDP & Budget : public participation meeting	27.02.2017	4	3	29	Next meeting
IDP & Budget : public participation meeting	02.03.2017	3	3	48	
IDP & Budget : public participation meeting	06.03.2017	5	2	18	
IDP & Budget : public participation meeting	16.05.2017	3	4	38	
IDP & Budget : public participation meeting	17.05.2017	4	4	31	
IDP & Budget : public participation meeting	18.05.2017	3	3	14	
Imbizo's : Council meets the people	31.10.2016	6	3	47	
Imbizo's : Council meets the people	27.09.2016	7	4	36	
Imbizo's : Council meets the people	28.03.2017	5	3	23	
OTHER MEETINGS OF COUNCIL					
General Council Meetings	6				
Special Council Meetings	5				
LLF Meetings	2				
Committee meetings	6				
Audit Committee Meetings	4				
MSCOA meetings	10				
Bid Committee Meetings	16				
Constituency Meeting with New Council	1				
MPAC Meeting	1				

2.1 POLITICAL GOVERNANCE

The Karoo Hoogland Council consists of 7 Councillors. There are 4 Ward Councillors and 3 Proportional Councillors. Only the Mayor is a full time Councillor of the Municipality.

The Previous Municipal Council was elected on the 18 May 2011 and the results of the election was made public on 21 May 2011.
It was led by a Coalition of the two (2) Democratic Alliance (DA) representatives and the two (2) Congress of the People (COPE) representatives. There were also three (3) members of the African National Congress (ANC).

Also refer to **Annexure B** which sets out committees and committee purposes.

Councillors for July 2016 – August 2016 from the previous term of Councillors:

The seven councillors represented the following political parties: (2011 – 2016)

- Councillor JP Julies - COPE (Mayor/Speaker)
- Councillor (Ms) GM Beukes - ANC
- Councillor JE Davids - ANC
- Councillor K Koopman - ANC Appointed per bi-election on 1 April 2015
- Councillor JJ Van Der Colff - DA
- Councillor MM van Wyk - DA Appointed on 16 August 2013
- Councillor (Ms) E Vermeulen - COPE Appointed on 5 February 2013

The **Current** Municipal Council was elected on 3 August 2016 and the results of the election was made public on 10 August 2016. It is led by four (4) members of the African National Congress (ANC). There are also two (2) Democratic Alliance (DA) representatives and one (1) Congress of the People (COPE) representative. These Councillors only operated from 10 August 2016 which is in the current financial year (2016/2017) and which will be reported on in this annual report.

The seven Current councillors represent the following political parties: (2016 – 2021) (Elected on 10 August 2016)

- Councillor (Ms) VC Wentzel - ANC (Mayor/Speaker)
- Councillor (Ms) AM Januarie - COPE
- Councillor JE Davids - ANC
- Councillor G Klazen - ANC
- Councillor JJ Van Der Colff - DA
- Councillor JJ Jacobs - DA
- Councillor J Jooste - ANC

In terms of Section 9 of the Local Government: Municipal Structures Act (No. 117 of 1998) KHM is a Category B municipality with a plenary executive system combined with a ward participatory system.

In terms of Section 79 of the Local Government: Municipal Systems Act, 1998 (Act 117 of 1998) Council has established the following Section 79 Committees:

ADMINISTRATIVE / FINANCIAL COMMITTEE (4 COUNCILLORS)
This Committee is dealing with all the financial aspects, administrative aspects and personnel aspects of the Municipality.

TECHNICAL COMMITTEE (4 COUNCILLORS)
This Committee is dealing with all the projects, service delivery and infrastructure of the Municipality.

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (4 COUNCILLORS)
This Committee is dealing with all relevant financial, audit issues. However this committee was not functional in the year under review.

LOCAL LABOUR FORUM COMMITTEE (3 COUNCILLORS, MM, 5 REPRESENTATIVES FROM SAMWU AND IMATU)
This Committee is dealing with all Labour related issues which are not bargained for in the Main Collective Agreement.

The Finance/Administration Committee and the Technical/Infrastructure Committee meets every second month at least two/three weeks before all General Council meetings to have in-depth discussions on the topics or subjects raised by the community leaders.

(13 July 2016, 1 August 2016, 19 August 2016, 31 August 2016, 6 October 2016, 30 October 2016, 13 December 2016, 30 January 2017, 28 February 2017, 29 March 2017, 26 May 2017, 30 June 2017)
Total of ***11*** *Council meetings were held during the year - 5 Special Meetings and 6 General Meetings*
Total of ***17*** *Committee meetings were held during the year.*
Total of ***2*** *LLF meeting with Employees.*
Personnel Meetings with the MM : 6 meetings during July 2016 and March 2017

The Administration under the leadership of the Municipal Manager, are requested to advise Council accordingly and executive decisions as taken.

2.2 ADMINISTRATIVE GOVERNANCE

In terms of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) Section 60 the Municipal Manager of a municipality is the accounting officer of that municipality for the purposes of the Act and must provide guidance on compliance with the Act to political structures, political officer bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

In accordance with the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) Section 61 (1) a Municipal Manager must:
"(a) act with fidelity, honesty, integrity and in the best interest of the municipality in managing its financial affairs;
(b) disclose to the municipal council and mayor all material facts which are available to the accounting officer or reasonably discoverable, and which in any way might influence the decisions or actions of the council or mayor;
(c) seek, within the sphere of influence of the accounting officer, to prevent any prejudice to the financial interest of the municipality."

The Municipal Manager is the head of the administration of Karoo Hoogland Municipality and provides the link between the political and administrative arms of the Municipality. Section 66 of the Local Government:

Municipal Systems Act, 2000 (Act 32 of 2000) states the following:
"66(1) a municipal manager within a policy framework, determine by the municipal council and subject to any applicable legislation, must
(a) develop a staff establishment for the municipality and submit the staff establishment to the municipal council for approval."

In terms of the above-mentioned section the Municipal Manager embarked on a process of reviewing the staff establishment since October 2013. The new proposed staff establishment tabled by the Consultant was pre-approved by Council January 2014. Council adopted the new Organogram on 9 December 2015. A few processes were followed before being fully implemented. In 2014 & 2015 personnel were given the chance to make input to the Organogram and the proposed organogram was tabled to the LLF in 2015. Only one union gave their input and it was addressed where necessary. Personnel received their proposed job descriptions to make changes and to customize it to their current duties. Those job descriptions were then evaluated by the TASK Job Evaluation Audit Committee. The placements onto the new organogram commenced in June 2016. The outcome of the TASK Job Evaluation Audit Committee were received in May 2017 and will be implemented during 2017/2018.

The organisational compilation of the office of the Municipal Manager is as follows:

- Office of the Mayor
- Office of the Municipal Manager

Macro-structure: Directorates

- Directorate Corporate Services (No Director)
- Directorate Financial Services
- Directorate Infrastructure Services

MUNICIPAL MANAGER

Mr G W von Mollendorf (4 NOVEMBER 2013 – 30 June 2017)

CHIEF FINANCIAL OFFICER

Mr SJ Myburgh (Appointed as Acting CFO January 2015 – June 2016) (Appointed as CFO on five year contract from July 2016 - 2021)

HEAD OF INFRASTRUCTURE SERVICES

Mr FJ Lotter (Acting as Head since September 2011) (Appointed as Director: Infrastructure from June 2016)

COMPONENT B : INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

The Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005) states that the role of the National Intergovernmental Forums is:

- To raise matters of national interest within that functional area with provincial governments and, if appropriate, organized local government and to hear their views on those matters
- To consult provincial governments and, if appropriate, organized local government on-
  - The development of national policy and legislation relating to matters affecting that functional area.
  - The implementation of national policy and legislation with respect to that functional area.
  - The co-ordination and alignment within that functional area of strategic and performance plans and priorities, objectives and strategies across national, provincial and local governments.
  - The co-ordination and alignment of the strategic and performance plans and priorities, objectives and strategies of the provincial government and local government in the province

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

As stated by Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005), the role of the Provincial Intergovernmental forums are:

- The implementation in the province of national policy and legislation affecting local government interests.
- Matters arising in the Presidents co-coordinating council and other national intergovernmental forums affecting local government interests in the province.
- National policy and legislation relating to matters affecting local government interests in the province.
- The co-ordination of provincial and municipal development planning to facilitate coherent planning in the province as a whole.

DISTRICT INTERGOVERNMENTAL STRUCTURES

According to the Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005), the role of the District Intergovernmental forums is:

- to serve as a consultative forum for the district municipality and the local municipalities in the district to discuss and consult each other on matters of mutual interest including-
- ✓ Draft national and provincial policy and legislation relating to matters affecting local government interests in the district.

CURRENT STRUCTURES IN PLACE

Meetings and interactions on the following levels are regularly attended to enhance the Municipality regarding National and Provincial Government Policies and practices.

- Work closely with District Municipality, Provincial Government and SALGA to finalize the Provincial Urban Development Framework.
- Rollout of National Local Government anti-corruption strategy to all Municipalities and coordinate the implementation of the strategy at a local level.
- Support regarding implementation of the Municipal Property Rates Act.
- Support Municipality to comply with MFMA priority areas for implementation.
- The Provincial IDP engagement process and ensure alignment with LED strategies of Municipalities and PGDS.
- Alignment of all sector plans with the PGDS and IDP's and the NSDP so as to meet service delivery targets.
- District to align sector plans i.e Housing and MIG and Municipalities IDP.
- Alignment of LED with District LED and the Provincial PGDS.
- Regular Back 2 Basics Reporting to the District since February 2015 as well as bi-annually reporting.

COMPONENT C : PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4 PUBLIC MEETINGS

Procedures for community participation processes as set out in legislation adhered to by timeously giving out meeting notices. The Council had meetings on the various towns with community meetings the previous night with before the Council meetings.

The municipality has made special efforts to enhance communication with the general public through various organized structures. The relationship with organized NGO's such as local ratepayer's associations has improved drastically during the 2014/2015 & 2015/2016 & 2016/2017 financial year and regular meetings are being held to discuss matters of mutual interest. Council has endeavored to meet its legal obligations with regarding public participation with special reference to the following meetings which were held:

- IDP meetings
- Budget meetings

Ward Committees were established; however, unfortunately there were only three wards that held a few meetings.

Only one Public Newsletter was circulated as well as public notices to keep the community informed.

- Timeous distribution of Council agendas resulting in an almost 100% attendance of scheduled meetings.
- It is a priority to implement a Document Management System to track and monitor Council resolutions for effective communication.
- The Old Municipal website focused on tourism and in June 2015 in the 2014/15 financial year a new website was developed where all required documents are being uploaded like the Budget, IDP, AFS, SDBIP, Policies etc.
- The New Municipal website (www.karoohoogland.gov.za) are being maintained by KHM personnel with assistance from Web Ateljee (Service Provider) and 85% of the required documents were placed on the website.

COMMUNITY DEVELOPMENT WORKERS

- CDW's deployed.
- There are 5 CDW's in KHM. Two in Fraserburg, two in Sutherland and one in Williston.
- There is a fairly good relationship with them and they are mainly being utilized to promote communication between Council and the public.

DISTRICT IGR FORUM FUNCTIONALITY

- The IGR in the Namaqua District is functional and is attended by the Mayor and the Municipal Manager on a regular basis.

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Partial, in process
Does the IDP have priorities, objectives, KPIs, development strategies?	YES
Does the IDP have multi-year targets?	YES
Are the above aligned and can they calculate into a score?	YES
Does the budget align directly to the KPIs in the strategic plan?	YES
Do the IDP KPIs align to the Section 57 Managers	YES
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	NO – will be addressed in 2017/2018 because of MSCOA and Performance Management
Were the indicators communicated to the public?	YES
Were the four quarterly aligned reports submitted within stipulated time frames?	NO
** Section 26 Municipal Systems Act 2000*	

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Municipalities must exercise their executive and legislative authority within a system of co-operative government as outlined in Section 41 of the Constitution.

The corporate governance component is clearly identified and prescribed in the Municipal Systems Act as well as the Municipal Financial Management Act. The following sub-components are highlighted:

2.6 RISK MANAGEMENT

The MFMA Section 62 (1) c required the Municipality to ensure that the Municipality has and maintain effective, efficient and transparent systems –

i) Of financial and risk management and internal control.

The Municipality does have a Risk Management Policy in place as required in the above section. Risk Evaluation were done by Provincial Treasury in June 2014. A Risk Register was compiled and a Risk Management Policy were developed and was approved by Council in April 2015. The next Risk Evaluation was requested from Provincial Treasury and was done in December 2016. The report and feedback on this evaluation was only received in September 2017 and this evaluation will also be identified as a high risk as the reporting are not received timeously to be able to take precautionary measures relating to risks.

An Internal Audit Unit as well as an External Audit Committee were not functional at the municipality. However discussions with the District Municipality lead to a shared-services Internal Audit Unit as well as an audit committee being established during 2015/2016. The Shared Internal Audit Unit visited the municipality in September 2015 for the first time and commenced with work. They audited the leave management and the asset management processes. The municipality received two reports from them and it was tabled at the first Audit Committee meeting in January 2016. After this meeting the Internal Audit Team attended a meeting at KHM in April 2016 and none thereafter. Communication problems lead to misunderstandings between the District Municipality and KHM which lead to Internal Audit not performing and the municipality not being informed of the reasons. The reasons were only made known to the municipality in August 2016 of which the District Municipality claimed that they did not receive the necessary funding from other departments to continue providing the Shared Services and that KHM must commit to paying for the assistance before any services will continue.

During 2016/2017 no suitable alternative and solution could be reached for internal audit. The endeavors will continue in the 2017/2018 year to request assistance in this regard from the District and also to appoint personnel internally to assist the District with Internal Audit.

During the 2016/2017 the Audit Committee did function however no relevant and proper reporting could be done as no Internal Audit Unit was established. The Auditor General attended the Audit Committee meeting at 29 August 2016 and again on 28 August 2017 and are aware of the situation and the problems it lead to.

2.7 ANTI-CORRUPTION AND FRAUD

The municipality has a Fraud and Anti-Corruption Strategy in place which was tabled and adopted by Council in 2015/2016 and will be revised in 2017/2018. A Disciplinary Board was also established and Mr J Brandt from Springbok are the representative for Karoo Hoogland Municipality. The processes of this board were explained to management and Council on several occasions by Mr Ezra Tantsi. Mr Tantsi from NCPT conducted several workshops at KHM on Financial Misconduct *(Chapter 15 of the Municipal Finance Management Act 56 of 2003 provides the legal framework for financial misconduct and financial offences and the purpose of this act is to set out processes and procedures to effectively deal with all allegations of financial misconduct. Subsequent to that, on the 30 May 2014 National Treasury issued regulation 37699 on Financial Misconduct procedures and criminal proceedings), System of Delegations,* the Financial Management Capability Maturity Mode (FMCMM) Reviews and Website Compliance issues.

DISCIPLINARY BOARD ESTABLISHMENT

Herewith I give the Extraction of the Minutes of a Finance Committee Meeting Decision on 20 June 2016 which was approved on 13 July 2016 by Council.

Herewith the Extract:

4.6 DISCIPLINARY BOARD ESTABLISHMENT (FINANCIAL MISCONDUCT)

Die Raad neem kennis van 'n skrywe waar KHM versoek word om 'n "Discliplinary Board" te stig asook gepaardgaande inligting.

BESLUIT DAT:

a) die volgende lede op die "Discliplinary Board" sal dien:
   - i. Mnr J Brandt van Provinsiale Tesourie, Springbok
   - ii. Een lid van die Oudit Komitee van Hantam Munisipaliteit
   - iii. Een lid van die Interne Oudit Span van NDM

The Terms of Reference for this Board as well as the Roles and the Responsibilities were also handed over to the Municipality.

2.8 SUPPLY CHAIN MANAGEMENT

Supply Chain Management (SCM) is necessary to ensure a sustainable and accountable supply chain that promotes black economic empowerment and local economic development. The drafting and implementation of both an SCM policy and procedures have ensured that the processes are fair, equitable, transparent, competitive, environmentally friendly and cost effective, in accordance with the rules and regulations from the different spheres of government.

The municipality is currently operating a centralized SCM unit meaning that all procurement processes are dealt by the supply chain unit, which will promote and enhance an open and fair tendering process to all suppliers, regardless of the particular communication media that they may have access to. This system will level the playing field for all suppliers and also ensure that the amount of irregular expenditure will be minimized.

SUPPLY CHAIN MANAGEMENT UNIT (STAFF ESTABLISHMENT)

Tenders / orders / Quotations

1 x Manager Supply Chain Management
1 x Senior Clerk Supply Chain Management
2 x Supply Chain Management Clerks (Financial Interns)

REVISED PREFERENTIAL PROCUREMENT REGULATIONS REPORTING

Reports of all awards made above R100 000 have been submitted to National Treasury, Provincial Treasury and CoGHSTA in terms of SCM circular no 19 of 2008 by form of the Back 2 Basics Reporting done each month since October 2014.

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

The Old SCM Policy was adopted by the Council of Karoo Hoogland Municipality on 24 August 2005 in terms of Section 3 of the MFMA, 2003 (Act No.56 of 2003). The SCM policy is implemented. The policy was reviewed; work shopped and was adopted by council during June 2014 and also again during April 2016 for the 2016/2017 year. The whole SCM policy was revised to incorporate all new legislation and requirements. However with new legislation the Supply Chain Policy will be revised annually to include all amendments in the 2017/2018 updated version of this policy.

A report on the Implementation of the Supply Chain Management Policy for 2016/2017 was developed and will be attached to this document as Volume XI

COMMITTEES

The Municipality has established the following bid committees in May 2015:

Opening of tenders:

At least two officials must be involved in the opening of tender documentation.

Administration	Admin Officer (C Viljoen)
Finance	Income Clerk (J Vlok)

Bid specifications committee / Section 27

Finance	CFO (S Myburgh)
Technical	Acting Technical Manager (F Lötter)
Administration	Admin Officer (C Viljoen)

Bid evaluation committee / Section 28

Section 28(2) A bid evaluation committee must as far as possible be composed of at least one supply chain management official.

Finance	Deputy CFO (Chair) (SJ van Schalkwyk)
Finance	Head of SCM (D Vermeulen)
Finance	Head Income Official (A Louw)

Bid adjudication committee / Section 29

Section 29(2) A bid adjudication committee ***must*** consist of ***at least four*** senior managers and ***must*** include-

(Karoo Hoogland Municipality only has a Municipal Manager and a CFO and a Director: Infrastructure. We do not have enough senior managers to attend to this Committee and therefore have to use other personnel)

Finance	CFO (SJ Myburgh)	Compulsory
Finance	SCM Official (W Malgas)	Compulsory
Technical	Acting Technical Manager (FJ Lötter)	Compulsory
Administration	Admin Officer (C Viljoen)	

Any possible conflicts of interest are declared at all bid committee meetings, by means of a signed register and a declaration form.

About 16 Bid Committees were held during 2016/2017.

IMPLEMENTATION OF MBD DOCUMENTS

All municipal bid documents (MBDs) are in place in compliance with MFMA Circular 25 and include specifications and evaluation criteria as recommended by the specification committee. All tenderers must complete MBD 4, MBD 6, MBD 8 and MBD 9 and must be registered on the CSD and on the Municipal Suppliers database for compliance.

Challenges: Service providers not completing all municipal bid documents, and quoting not according to the specifications.
Proposed solution: Educate service providers on the importance of completion of municipal bid documents by holding workshops in 2016/2017 and in the coming years.

Challenges: Not enough suppliers on the database.
Proposed Solution: Advertise via National newspapers and our website as well as other websites for suppliers outside of KHM's area of jurisdiction. Amend the policy to elaborate on the deviations.

Challenges: Not enough staff on current personnel structure to adhere to Regulations prescribing the amount of members per bid committee. Karoo Hoogland Municipality cannot afford to appoint an extra senior manager for the sole purpose of complying with the bid committee regulations.
Proposed solution: Karoo Hoogland will apply to the AG to accept our necessary steps taken to adhere as far as possible to comply with correct awarding of tenders due to a short in personnel.

SUPPLIER DATABASE

The Municipality has developed and implemented a database of suppliers. Adverts are placed annually in the newspapers and on the website to invite suppliers to register on the municipal database. Service providers may however register on the database at any stage as there is no closing date for registration. New legislation and regulations shows that it is not compulsory for a municipality to have a supplier database anymore however we do keep a database for ease of reference.

TRAINING With the implementation of the new centralised unit, workshops were organized for all SCM personnel as well as all directorates by the Provincial Departments in 2016/2017. However, continuous training will be inevitable as legislation and regulations changes almost annually.

CSD
No vendor may be used if they are not registered on the Central Suppliers Database and their registration documents must be provided to the SCM unit. Training have been given to vendors and to personnel to assist with registration on the CSD.

STANDARD INFRASTRUCTURE PROCUREMENT DEVELOPMENT MANAGEMENT POLICY
In May 2017 staff from Provincial Treasury visited Karoo Hoogland with a standard SIPDM Policy that needed to be customized and implemented from 1 July 2017. However the policy could not be personalised before the Council meeting and workshopped with all the personnel involved. It has now gone to Council in 2017/2018 in August 2017 and was approved effective from 1 July 2017. This policy streamlines the Procurement of Infrastructure development on bigger projects and sets definite goals and targets and also procedures to follow to adhere to national legislation in terms of procurement.

2.9 BY-LAWS

Only one by-law was adopted by Council during the year under review.

The Municipality have various policies in place. However, to date only few policies have been promulgated as by-laws. Various policies were revised during the 2016/2017 financial year with the view to promulgate them as by-laws. However processes take long and community input are being obtained. New By-laws will be gazette in 2017/2018. The **Keeping of Dogs By-law** was promulgated on 7 November 2016 after the full community participation process were undergone.

The following By-Laws will be promulgated in 2017/2018:
Keeping of animals
Tariff By-Law
Credit Control By-Law
Property Rates by-Law
Nuisance By-Law

2.10 WEBSITES : www.karoohoogland.gov.za

The Municipal website was developed in June 2015 in the 2014/2015 financial year to be compliant to upload compulsory documents requested by legislation for the community to view and comment on. During the 2015/2016 financial year a lot of effort were put into getting the municipal website compliant to legislation.

COMMENT ON MUNICIPAL WEBSITE: CONTENT AND ACCESS www.karoohoogland.gov.za

The following documentation was uploaded on the Municipal Website with reference to documents pertaining to the 2016/2017 financial year:

- Budget
- Annual Financial Statements
- IDP

- SDBIP
- Policies
- Notices
- Advertisements
- Vacancies
- News
- Land Use Application Forms
- Standard Forms to the Public
- Bidding documentation together with all mandatory forms to be completed by all suppliers
- Reports on expenditure and tenders
- By-Laws – Keeping of Dogs and SPLUMA, Credit Control and Property Rates
- Supplier Database Registration forms
- Building application forms
- Accommodation and Tourism
- Projects
- Dates of Council meetings
- AG Report for 2015/2016
- Awards made to suppliers/tenderers
- Valuation Roll

KAROO HOOGLAND MUNICIPALITY: WEBSITE REPORT (JUNE 2017)

During March 2015 the Municipality requested quotations for the design and maintenance of a new website complying with all required documents. The tender closed in April 2015 and tender committees were held during May 2015. Web Ateljee in Upington was awarded the tender for the design. In July 2015 the new website **www.karoohoogland.gov.za** went live.

Information uploaded on the website as required by NC Provincial Treasury's Questionnaire

QUESTION / INFORMATION	YES / NO	IF NO, REASON :
Is the 2017/2018 Draft Annual Budget published on the website?	YES, Final	
Are the updated budget related policies published on the website?	YES	
Is the 2015/2016 Annual Report published on the website?	YES	
Is the 2017/2018 SDBIP published on the website?	YES	
Is the revised IDP published on the website?	YES	
Is the list of disposed assets published on the website?	YES, old list	The new list will be published as soon as assets are disposed and approved by Council in 2017/2018
Are the long-term borrowing contracts published on the website?	Yes	DBSA
Are the SCM contracts published on the website?	Yes	SEBATA // Website : Webateljee //Mubesko // Nexia S AB&T // Van de Wall as well as total contract register and tender award register
Contracts to which section 33 apply, subject to subsection (3) of that section? PPP	NONE, Not applicable	The municipality do not have PPP

Are the S52(d) reports published on the website?	Not yet, will start from January 2018	It was not published on the website in 2016/2017 – However Since January 2018 it was published Quarterly
Accommodation list	YES	
Necessary Policies	YES	
Financial Reports // Sec 71 & Sec 72	YES	On request
Dates of Council Meetings	YES	
Tariffs	YES	
Vision & mission	YES	
PAIA Manual	YES	
Supply Chain Management Policy	YES	
Notices & Newsletters & Vacancies	YES	
Performance Agreement of MM	YES	
Personnel Forms and Information	YES	
Complaints Page/Form	YES	
Valuation Roll	YES	
Annual Financial Statements 15/16	Yes	On request

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The Municipality has difficulty with the following services due to lack of sufficient funds to attend to all the necessary maintenance:-

- Electricity
- Water supply
- Road maintenance

The upgrading of these three services will reduce the amount of complaints by the general public. The maintenance of the tar roads is currently not done sufficiently and is still a concern of the community at this stage. The municipality is currently utilizing the funds received through the EPWP program to repair potholes in all three towns. A MIG project for the paving of streets in all three towns is still awaiting approval.

COMPLAINTS REGISTER

A Complaints Register have been instituted at all three towns' offices where the public can write down their complaints and which are being addressed accordingly on a weekly basis. On the website the community as well as other people can also make complaints or requests which are received as emails and are acted upon within a week of receipt. It are being followed up regularly.

2.12 PERFORMANCE MONITORING OF SERVICE PROVIDERS AND CONTRACTORS

The Performance of Service Providers such as Consultants and Contractors should also be monitored and were a discussion point during the Audit period from August 2017 – November 2017. It was found that more effective controls should be put in place to monitor the performance of all service providers and contractors. As Contractors and Service Providers were mostly appointed on Grant Funding Projects and Infrastructure projects monthly reporting to the Provincial Departments was a legal requirement which our municipality fully complied with. All reporting were done on time and quarterly meetings with the Section Departments as well as monthly site meetings with contractors assisted in contractors' performance being measured. However, more effective measures and controls will be put in place in 2017/2018.

CHAPTER 3:

SERVICE DELIVERY PERFORMANCE

The council has spent the following amounts in the last five years on projects in the municipality:

1. High mast lights: Amandelboom Williston (R1 788 730)
2. Streetlights in Fraserburg & Sutherland (R780 572)
3. Electrification of 210 Houses in Fraserburg (R1 800 000)
4. Construction of two reservoirs : Sutherland (R7 042 243)
5. Construction of new reservoir : Fraserburg (R9 241 163)
6. Upgrading of Electrification Substation : Fraserburg (R2 500 000)
7. Upgrading of Internal Water Network : Fraserburg (R15 018 311)
8. Rebelskop Storm water : Sutherland (Completed in 2016/2017)
9. Bulk Water Network : Sutherland (To be completed in 2018/2019)
10. Upgrading of Williston Internal Water reticulation system. (RBIG funding)EIA and IRS finalised April 2016 (Total project cost ; R37 000 000 – to be completed 2018/2019)
11. EPW Projects 2015/2016 and 2016/2017 :
    i. Street maintenance in all three towns : R1 000 000

These projects were all part of the IDP that was communicated to the community. The municipality appoints people from of the community on all the various projects like EPWP projects.

Projects registered in 2015/2016 and commenced in 2016/2017: (MIG 1307)

- Upgrading of Sutherland Sport Facilities: Phase 1 (spend R2 027 000 of R7.5 million)

Projects still awaiting registration in 2016/2017 that was approved by Council were as follows:

- PAVING OF GRAVEL ROADS

Herewith the extraction from the IDP showing the said projects. Herewith also the extraction from the minutes of the Special Council meeting held on 30 May 2013 where the IDP was approved:

4. APPROVAL OF IDP 2012/2017

4.1 COUNCIL RESOLVED THAT:

a) Council accepts and approves the IDP, as presented at a General Council Meeting on 27 November 2012.

Proposed : Councillor CM Fortuin
Seconded: Councillor JE Davids

The following projects form part of the multiyear strategic projects in the IDP and have already been approved for implementation in **2017/2018** financial year.

- Development /Upgrading of Three Sports Grounds.
- Paving of gravel roads in three towns

The Final IDP from 2017/2022 was approved on **26 May 2017** by Council.
(Draft IDP was tabled to Council on 29 March 2017.)

The Following projects will also commence in 2017/2018 for which funding have been secured:

- MIG funds : Sutherland Water (R 13 680 000)
- WSIG Boreholes Williston (R4 million)
- Department of Energy Upgrading Fraserburg (R1 million)
- EEDSM Upgrading of Streetlights (R2 million)
- EPWP Project Upgrading of Uys Street (R1 Million)
- MIG Project Paving of Streets in Williston (R 800 000)
- CWP Projects

NATURAL RESOURCES:

Karoo Hoogland Municipality has 14 Production Boreholes + 1 Recharge Borehole :

Fraserburg : 5 Boreholes / 1 Reservoir
Williston : 5 Boreholes + 1 Recharge Borehole / 3 Reservoirs
Sutherland : 4 Boreholes / 2 Reservoirs

BASIC SERVICES

3.1 WATER PROVISION

The Municipality is dependent on underground water resources and a system of borehole pumps and pipelines are in place to feed the reservoirs in the three towns from where it is further reticulated to all households. During the previous years under review new reservoirs were built in Fraserburg, specifically to increase the storage capacity to ensure sufficient availability during power failures.

Water Service Delivery Levels	
Description	**2016/2017**
	Actual No
Water : (above min level)	2194
Pipe water inside dwelling	1596
Pipe water inside yard (but not in dwelling)	598
Using public tap (within 200m from dwelling)	0
Other water supply within 200m	0
Minimum Service Level and Above	0
Water : (supply by owners themselves) (agricultural erven)	0
No water supply	0
Total number of houses	**2194**

Total Use of Water by Sector (cubic meters)

	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2014/2015				290720	40395
2015/2016				273529	28889
2016/2017				289092	15768

In the table above it is evident that the unaccountable water losses have drastically decreased and this is mainly due to the implementing of prepaid water meters and regular maintenance on infrastructure to prevent these water losses. The implementing of prepaid water meters has been recognized as a Good Practice by Karoo Hoogland Municipality. Karoo Hoogland Municipality were also able to increase credit control measures with the implementation of these prepaid meters in areas where the public do not buy their electricity from us.

EMPLOYEES WATER SERVICES

The Municipality does not have separate personnel attending to this function as there is a general working team who attend to all infrastructure matters including the provision of water. A portion of the total salary budget is allocated to water services as indicated in the table below.

See below the Comparison between 2015/2016 and 2016/2017 to measure Financial Performance

FINANCIAL PERFORMANCE 2015/2016 : WATER SERVICES			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	6,289,436	6,295,620	0%
Expenditure:			
Employees	927,270	878,835	6%
Repair and Maintenance	116,000	472,581	-75%
Other	2,288,160	2,386,526	-4%
Total Operational Expenditure	3,331,430	3,737,942	-11%
Surplus /(Deficit)	2,958,006	2,557,678	

FINANCIAL PERFORMANCE 2016/2017 : WATER SERVICES			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	R 7,309,300.00	R 7,238,287.00	0%
Expenditure:			
Employees	R 1,001,800.00	R 1,121,628.00	-10%
Repair and Maintenance	R 2,221,000.00	R 2,394,570.00	-7%
Other	R 2,658,800.00	R 3,344,816.00	-20%
Total Operational Expenditure	R 5,881,600.00	R 6,861,014.00	-14%
Surplus /(Deficit)	R 1,427,700.00	R 377,273.00	

Water Service Policy Objectives Taken From IDP									
Service Objectives		2014/2015		2015/2016		2016/2017		2017/2018	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
Service Indicators	Outline Service Targets			*Previous Year	*Previous Year	*Current Year	*Current Year	*Following Year	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective									
Bulk water supply : To enhance sustainable service delivery through infrastructure development	To enhance sustainable service delivery through infrastructure development in Williston and Sutherland Upgrade of internal water network in construction - 2011 (Fraserburg) Application and business plan 2011 Approval by MIG 2012 Construction 2013 (Can be done earlier subject to MIG Registration) Upgrade of Internal Network December 2012 Geohydrological studies completed Engineering Design Completed Water source ie. Borehole development completed Upgrading of internal water network Construction of reservoirs	**4 x Reservoirs (2 in Fraserburg & 2 in Sutherland)**	**Achieved**	**0**	**0**	**0**	**Business Plan submitted for RBIG funding : Upgrading of Williston Bulk Water Supply Phase 2**	**1 x new borehole Williston** **RBIG : Upgrading of Williston Bulk Water Supply Phase 2 Registered - not yet funded**	
Water Reticulation Network	Sutherland - Construction of new water reticulation Network							Construction of new Water Reticulation Network in Sutherland	

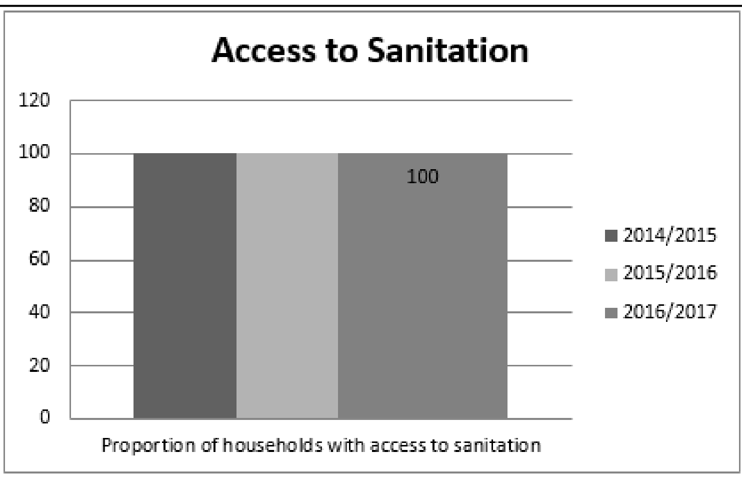
3.2 WASTE WATER (SANITATION) PROVISION

- All households in the Karoo Hoogland Municipal area have access to basic sanitation.
- Some of the erven in all three towns are connected to a waterborne sewerage system.
- Some erven are still equipped with sewerage drains and the sewerage are removed with sewerage removal vehicles.
- The balance of the erven has dry sanitation toilets, which are also serviced by the municipality.
- All three towns have oxidation ponds.

The following projects form part of the multiyear strategic projects in the IDP.

- Eradication of UDS Toilets (809 households remaining)
- Installation of full waterborne sewer system
  - To ensure proper operation and maintenance of existing infrastructure and equipment
  - Replace individual septic tanks with full waterborne sewer system
  - Reduce municipal capital and maintenance costs by removing suction trucks
  - Upgrading of oxidation ponds (completed)

SANITATION SERVICE DELIVERY LEVELS : HOUSEHOLDS	
	Year 2016/2017
Description	Actual No
Sanitation / Sewerage (above minimum level)	2309
Flush toilet (connected to sewerage)	702
Flush toilet with septic tank	798
Other Toilet Provisions (above minimum service level)	809
No toilet provision	5 (shacks)
Total households	2309



Access to Sanitation

	Proportion of households with access to sanitation
2014/2015	100
2015/2016	100
2016/2017	100

Waste Water (Sanitation) Service Policy Objectives Taken From IDP									
Service Objectives		2015/2016		2016/2017			2017/2018		
		Target	Actual	Target		Actual	Target		
Service Indicators	Outline Service Targets	*Previous Year		Current year			*Following Year		
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective									
Provision of toilets within standard	All households have minimum waste water /sanitation services.								
Eradication of UDS Toilets : To ensure a healthy environment for all residents with reference to combinable diseases	The target will be for all households to have waterbourne toilets.	809	** UDS Toilet are being recognised as a minimum standard and therefor no grantfunding are made available and other avenues must be seek	809	0		809	0	0
Installation of full waterborne sewer system	To ensure proper operation and maintenance of existing infrastructure and equipment Replace individual septic tanks with full waterborne sewer system Reduce municipal capital and maintenance costs by removing suction trucks Upgrading of oxidation ponds completed Planning and design Construction								

EMPLOYEES SANITATION SERVICES

The Municipality does not have separate personnel attending to this function as there is a general working team who attend to all infrastructure matters including the provision of sanitation. A portion of the total salary budget is allocated to sanitation services as indicated in the table below.

Financial Performance 2015/2016 : Sanitation			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	7,158,680	7,039,863	2%
Expenditure:			
Employees	1,295,500	1,539,060	-16%
Repair and Maintenance	332,000	240,689	38%
Other	3,204,041	2,642,767	21%
Total Operational Expenditure	4,831,541	4,422,516	9%
Surplus / (Deficit)	2,327,139	2,617,347	

FINANCIAL PERFORMANCE 2016/2017 : SANITATION SERVICES			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	R 7,799,300.00	R 7,195,386.00	8%
Expenditure:			
Employees	R 1,518,900.00	R 1,606,239.00	-5%
Repair and Maintenance	R 112,000.00	R 279,918.00	-60%
Other	R 3,671,600.00	R 3,424,995.00	-7%
Total Operational Expenditure	R 5,302,500.00	R 5,311,152.00	0%
Surplus /(Deficit)	R 2,496,800.00	R 1,884,234.00	

3.3 ELECTRICITY PROVISION

The Municipality supplies electricity to Fraserburg and part of Williston. The other part of Williston as well as Sutherland and the rural areas are serviced by ESKOM.

The following project was completed in the 2013/2014:

- Upgrading of Electrical Substation : Fraserburg

Electrical reticulation throughout Fraserburg is mainly by means of overhead 11kV and low voltage. The age of these networks are in excess of 40 years and have degraded to such a state that normal maintenance and refurbishment is not adequate anymore to ensure safe and reliable operation.

ELECTRICITY SERVICE DELIVERY LEVELS	
	Year 2016/2017
Description	Actual No
Energy (above minimum level) conventional meters	0
Electricity –pre-paid (min service level)	2194
Total number of households	2194

The following posts are approved on the organogram and are budgeted for :

- Electrician (1)
- General Worker Electrical (1)

Electricity Service Policy Objectives Taken From IDP								
Service Objectives		2015/2016		2016/2017			2017/2018	
		Target	Actual	Target		Actual	Target	
Service Indicators	Outline Service Targets	*Previous Year	*Previous Year	*Current Year	*Current Year	*Current Year	*Following Year	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
Service Objective								
ELECTRICAL INFRASTRUCTURE : To enhance sustainable service delivery through infrastructure development	**Electrical reticulation throughout Fraserburg is mainly by means of overhead 11kV and low voltage The age of these networks are in excess of 40 years and have degraded to such a state that normal maintenance and refurbishment is not adequate anymore to ensure safe and reliable operation**	1 x Fraserburg : upgrading of electricity to Magistrate's Court	Achieved	Phase 1 : upgrading of electrical network in Fraserburg		Achieved	**EEDSM Project - streetlight upgrading **Fraserburg - Internal electrical network	

Financial Performance 2015/2016: Electricity Services			
Details	Original Budget	Actual	Variance to Budget
Total Operational Revenue	12,230,116	11,877,251	3%
Expenditure			
Employee	695,920	669,379	4%
Repair and Maintenance	163,000	80,004	104%
Other	10,943,228	9,318,118	17%
Total Operational Expenditure	11,802,148	10,067,501	17%
Surplus / (Deficit)	427,968	1,809,750	

FINANCIAL PERFORMANCE 2016/2017 : ELECTRICITY SERVICES			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	R 13,893,500.00	R 12,151,924.00	14%
Expenditure:			
Employees	R 753,200.00	R 705,821.00	7%
Repair and Maintenance	R 158,000.00	R 195,325.00	-19%
Other	R 10,776,500.00	R 11,240,364.00	-4%
Total Operational Expenditure	R 11,687,700.00	R 12,141,510.00	-4%
Surplus /(Deficit)	R 2,205,800.00	R 10,414.00	

3.4 WASTE MANAGEMENT

The Municipality has an Integrated Waste Management Plan 2014/2018 in place which was compiled by the District Municipality. The Municipality has a refuse removal team in each of the three towns. These teams are responsible for the removal of domestic as well as business refuse. The teams each comprises of a tractor driver and general workers and the refuse are collected manually and transported to the landfill sites in each town. Black bags are available to the public at the municipality in which refuse must be placed for removal. The municipality must ensure proper operation and maintenance of existing infrastructure and equipment through licensing and upgrading of landfill sites.

Solid Waste Service Delivery Levels – Nr of Households				
Description	2014/2015	2015/2016	2016/2017	2017/2018
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Solid Waste Removal: (Minimum level)				
Removed at least once a week	1984	1984	1984	2204
Minimum Service Level and Above sub-total	1984	1984	1984	2204
Minimum Service Level and Above percentage	100%	100%	100%	100%
Solid Waste Removal: (Below minimum level)				
Removed less frequently than once a week				
Using communal refuse dump				
Using own refuse dump				
Other rubbish disposal				
No rubbish disposal				
Below Minimum Service Level sub-total	0	0	0	0
Below Minimum Service Level percentage	0	0	0	0
Total number of households	1984	1984	1984	2204

Financial Performance 2015/2016 : Solid Waste			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	6,553,875	6,343,572	3%
Expenditure:			
Employees	1,253,160	1,031,601	21%
Repair and Maintenance	247,000	120,544	105%
Other	1,937,139	3,468,348	-44%
Total Operational Expenditure	3,437,299	4,620,493	-26%
Surplus / (Deficit)	3,116,576	1,723,079	

FINANCIAL PERFORMANCE 2016/2017 : REFUSE SERVICES / SOLID WASTE			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	R 6,996,500.00	R 7,069,119.00	-1%
Expenditure:			
Employees	R 1,034,300.00	R 1,024,205.00	1%
Repair and Maintenance	R 100,000.00	R 96,696.00	3%
Other	R 2,547,100.00	R 2,311,724.00	10%
Total Operational Expenditure	R 3,681,400.00	R 3,432,625.00	7%
Surplus /(Deficit)	R 3,315,100.00	R 3,636,494.00	

3.5 HOUSING

The Municipality does not have a specific staff component to deal with housing matters as the provision of housing was a Provincial function. When a housing project is approved the services of Consulting Engineers and Contractors are procured through prescribed SCM Principles. An objective of the municipality is also to enhance sustainable service delivery through infrastructure development with reference to the eradication of the housing backlog of 680 houses by 2020. This backlog does not include the backyard dwellers which are found being reported through the IDP. About 215 backyard dwellers are in all three towns and this amount variates through the year as people move around and leave town for work in other towns as well as move here when construction work arises. Through the National Housing Needs Register it is being predicted that the backyard dwellers and people with a need for housing increases annually.

During the 2013/14 financial year no new housing projects were funded.
During the 2014/15 financial year it was announced that 150 new erven will be planned in Williston. The Planning phase commenced in 2015/2016 for these 150 erven.
During 2013/2014 an outstanding 15 new houses should have been built on the previous 225 Fraserburg Housing Project. Due to lack of competent contractors this project will only be completed in 2017/2018. This project were taken over by CoGHSTA Regional in Springbok to finalize.

During the 2015/16 a total housing project for all three towns was submitted to address the housing need.
In 2016/2017 two new housing projects were registered and approved and the town planning processes commenced:

- 150 Erven Williston
- 100 Erven Sutherland

A Housing Sector Plan are being developed in 2017/2018 in partnership with Namakwa District Municipality. This plan will adhere to the Housing Needs of the Municipality in the future.

Housing Service Policy Objectives Taken From IDP								
Service Objectives		2015/2016		2016/2017		2017/2018	2017/2018	2018/2019
		Target	Actual	Target	Actual	Target		
Service Indicators	Outline Service Targets	*Previous Year	*Previous Year			*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
Service Objective								
PROPER HOUSING/EXISTING SETTLEMENTS : To enhance sustainable service delivery through infrastructure development	Build 680 BNG top structures for beneficiaries in Williston(300), Sutherland(240) and Fraserburg(130) - Target to be reached by 2020			*Town Planning for 150 Erven in Williston and 100 Erven in Sutherland	* Town Planning for 150 Erven in Williston commenced	* To complete town planning		* To build Houses on the 150 erven in Williston and on the 100 Erven in Sutherland

The Municipality submitted a business plan to transfer Title Deeds which are still in the name of the Municipality for old housing projects. The status as at 30 June 2017:

		2016/2017		2017/2018	
	Total Targets	Target	Actuals	Target	Actual
Williston	226	0	0	226	
Sutherland	81	81	81	0	
Fraserburg	225	205	205	20	

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

Due to the level of unemployment and subsequent poverty in the local municipal area, there are households that are unable to pay for normal municipal services. The Municipality therefore adopted an Indigent Management Policy to ensure that these households have access to at least all basic municipal services and was guided in the formulation of this Policy by the National Government's Policy in this regard.

All households who qualify in terms of the said policy, receives a subsidy on property rates as well as other service charges such as water, refuse and electricity (50kWh of electricity per month free of charge as well as 6000 liters water per household per month (appr. 200 liters of water/ day))

Free Basic Services To Low Income Households										
	Number of households									
		Households earning less than R2500 per month								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
	Total	Total	Access	%	Access	%	Access	%	Access	%
2015/2016	1984	1984	1984	100%	1984	100%	1984	100%	1984	100%
2016/2017	2204	2204	2204	100%	2204	100%	1984	90%	2204	100%
2017/2018	2204	2204	2204	100%	2204	100%	2204	100%	2204	100%

Only households where the accountholder or property owner has registered as indigent in terms of the municipality's annual registration program and whose registration has been approved and entered into the register of indigents qualify for the above concessions.

The subsidies on rates and the specified service charges will be determined as part of each annual budget and in terms of the Municipality's Policies on property rates and tariffs.

Currently there are 818 households that are receiving indigent support on a monthly basis. However this amount varies each month as the indigents need to apply monthly as we found that household situations differ each month.

Financial Performance 2015/2016 : Cost to Municipality of Free Basic Services Delivered			
Services Delivered	Original Budget	Actual	Variance to Budget
Water	1,125,000	819,073	37%
Sanitation	1,140,000	1,102,696	3%
Solid Waste	1,110,000	1,012,188	10%
Electricity	760,000	309,000	146%
Total	4,135,000	3,242,957	

FINANCIAL PERFORMANCE 2016/2017 : COST OF SUBSIDIES TO INDIGENT HOUSEHOLDS			
Service	Budget	Actual	Variance to Budget
Water	R 1,021,000.00	R 761,582.00	34%
Electricity	R 557,000.00	R 558,577.00	0%
Sanitation	R 1,182,000.00	R 956,628.00	24%
Refuse	R 1,097,000.00	R 880,695.00	25%
Rates	R 699,000.00	R 467,724.00	49%
Total	R 4,556,000.00	R 3,625,206.00	

Each month a Free Basic Services Report are being submitted to Mr Frank Van den Heever in Springbok at the CoGHSTA offices as well as to the Namakwa District Municipality and Provincial Treasury. Karoo Hoogland Municipality is frequently monitoring the indigent and free basic services. Please see in the tables below how the indigents' situations changes monthly and varies during the year.

2016/2017

QUARTER 1 : INDIGENTS (JULY – SEPTEMBER 2016) 2016/2017			
	JULY 2016	AUGUST 2016	SEPTEMBER 2016
TOTAL	930	937	918

QUARTER 2 : INDIGENTS (OCTOBER – DECEMBER 2016) 2016/2017			
	OCTOBER 2016	NOVEMBER 2016	DECEMBER 2016
TOTAL	918*	715	784

QUARTER 3 : INDIGENTS (JANUARY – MARCH 2017) 2016/2017			
	JANUARY 2017	FEBRUARY 2017	MARCH 2017
TOTAL	944	791	736

QUARTER 4 : INDIGENTS (APRIL – JUNE 2017) 2016/2017			
	APRIL 2017	MAY 2017	JUNE 2017
TOTAL	729	819	818

2017/2018 –CURRENT YEAR STATISTICS FOR INDIGENTS

QUARTER 1 : INDIGENTS (JULY – SEPTEMBER 2017) 2017/2018			
	JULY 2017	AUGUST 2017	SEPTEMBER 2017
TOTAL	683	799	856

QUARTER 2 : INDIGENTS (OCTOBER – DECEMBER 2017) 2017/2018			
	OCTOBER 2017	NOVEMBER 2017	DECEMBER 2017
TOTAL	885	906	1552

ROAD AND TRANSPORT

3.7 ROADS

Williston, Fraserburg and Sutherland have tar roads and gravel roads. The Municipality must submit projects to MIG for the upgrading of roads regularly. The tar roads are currently in a poor condition with potholes occurring all over the roads. The Municipality endeavors to arrange training for its personnel to repair potholes and also purchase the necessary equipment and material to do the work in the future.

The Municipality however does not have the financial capacity to budget for the repair of all the potholes. The Municipality submitted a business plan to MIG to pave the roads in Williston, Fraserburg and Sutherland. Not only will this improve the infrastructure but also the health of the community to kerb the dust in the dry Karoo.

Although this was project no. 5.1.6 of the IDP (Extract below) the Council never received any approval to carry on with this most needed project. The MIG Office also could not indicate why the project was not approved. The municipality was informed in writing to continue with the other two projects that were registered that was not priority as decided by the community. The municipality was therefore forced to abandon this project and execute a less favorable project not to forfeit the MIG Funds.

Road Service Policy Objectives Taken From IDP							
Service Objectives		2015/2016		2016/2017			2017/2018
		Target	Actual	Target		Actual	Target
Service Indicators	Outline Service Targets	*Previous Year	*Previous Year	*Current Year	*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)
Service Objective							
Surfacing of existing gravel roads	Surfacing of internal gravel roads using labour intensive methods Manufacturing paving blocks on site using local labour Surfacing of roads with concrete paving blocks Construction 2013 - 2016	Fraserburg : Paving of 2 km of gravel roads (in partnership with Dept. of Public Works) Williston : Paving of gravel road - Uys Street (Funded by Khotso Pula Nala)	Achieved Achieved - However hig level maintenance was required				** To do high level maintenance on Uys Street and finish paving as planned(EPWP)
Cross Cutting Infrastructure : upgrading of all major routes	Upgrade of all major routes Fabrication of stones Public lighting (High mass) Safety of streets (Speed bumps) Upgrading of Playing grounds Fencing of BNG Houses Upgrading of Community Hall Signage Street names and Numbers Upgrading of pedestrians routes Multipurpose center Driver License Testing Centre Upgrade of Swimming pool Solar geysers						* Business Plan was submitted for the funding of the following: Solar Geysers JoJo Tanks Upgrading of side walks

The following projects form part of the multiyear strategic projects in the IDP:

- Surfacing of existing gravel roads
- Surfacing of internal gravel roads using labour intensive methods
- Manufacturing paving blocks on site using local labour
- Surfacing of roads with concrete paving blocks
- Construction 2013 - 2016

- Cross cutting Infrastructure : Upgrading of all major routes
- Upgrade of all major routes
- Fabrication of stones
- Public lighting (High mass)
- Safety of streets (Speed bumps)
- Fencing of BNG Houses
- Upgrading of Community Hall
- Signage Street names and Numbers
- Upgrading of pedestrians routes
- Multipurpose center
- Driver License Testing Centre
- Upgrade of Swimming pool

EMPLOYEES ROAD SERVICES

The Municipality does not have separate personnel attending to this function as there is a general working team who attend to all infrastructure matters including road services. A portion of the total salary budget is allocated to road services.

Financial Performance 2015/2016: Road Services			
Details	Original Budget	Actual	Variance to Budget
Total Operational Revenue	1,010,500	1,000,000	1%
Expenditure			
Employee	1,341,650	1,729,701	-22%
Repair and Maintenance	243,520	123,169	98%
Other	1,452,979	4,022,231	-64%
Total Operational Expenditure	3,038,149	5,875,101	-48%
Surplus /(Deficit)	(2,027,649)	(4,875,101)	

FINANCIAL PERFORMANCE 2016/2017 : ROAD SERVICES			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	R 1,160,500.00	R 1,000,000.00	16%
Expenditure:			
Employees	R 1,546,100.00	R 2,265,672.00	-32%
Repair and Maintenance	R 244,000.00	R 397,651.00	-39%
Other	R 1,379,100.00	R 5,427,269.00	-75%
Total Operational Expenditure	R 3,169,200.00	R 8,090,592.00	-61%
Surplus /(Deficit)	-R 2,008,700.00	-R 7,090,592.00	

3.8 WASTE WATER STORMWATER DRAINAGE

Storm water drainage forms an integral part of road infrastructure. Due to the fact that the road infrastructure in the three towns is not up to standard it results in poor storm water drainage during times of heavy rain. The maintenance and construction of storm water structures will only be addressed once the municipality receives funds for the upgrading of its road infrastructure.

Stormwater Policy Objectives Taken From IDP								
Service Objectives		2015/2016		2016/2017		2017/2018		2018/2019
		Target	Actual	Target		Actual	Target	
Service Indicators	Outline Service Targets	*Previous Year	*Previous Year			*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
Service Objective								
Bulk water supply : maintenance and construction of stormwater structures	To enhance sustainable service delivery through infrastructure development Application and business plan 2011	Sutherland Rebelskop Stormwater Upgrade (MIG funding)	Achieved / completed					

The Municipality does not have separate personnel attending to this function or a budget in this regard.

3.9 TRANSPORT

The Municipality does not have a Transport Plan for any of the three towns due to the lack of any major form of transport. The majority of the community does not have the means to pay for the transport and as the current statistics indicate various other methods is used for transport. Transport is not a function of the Municipality, however, there is potential to expand this industry, particularly the provision of public transport through economic development.

The majority of the Karoo Hoogland Local Municipality's population (82.3%) travel to school or to work by foot. Around 6.7% of the Karoo Hoogland population make use of public transport (i.e. the bus, train, taxi, or lifts with other people); while 1.6% make use of bicycles and 9.4% use their own private transport. Donkeys and horses as well as donkey/horse carts are also widely used in the area.

Significant portions of Karoo Hoogland's population are living in small, dispersed settlements and have limited transport capacity to travel the often significant distances between urban centres. As many of these households are also living in poverty, the lack of transport adds to the so-called "poverty trap", as these people are less able to conduct, for example, informal activities to alleviate their circumstances.

COMPONENT C: PLANNING AND DEVELOPMENT

3.10 PLANNING

The Municipality does not have a Planning department and for the purposes of specific town planning matters, the municipality procures the services of a Professional Town planner.

All other land use management matters are dealt with in terms of the Northern Cape Development and Planning Act. The municipality does have a Land Use Management Plan as well as a Spatial Development Framework and all matters in this regard are handled by the Corporate Services Department.

According to the MFMA, low cost housing development and associated services as planning and surveying is not a municipal function (with regard to financing of the project) and therefore no capital projects in this regard could be provided for, as no housing project has been approved by province during the past year. No other township establishment projects have been undertaken during the past year.

During the 2014/2015 year the Spatial Land Use Management Act was passed by Parliament and all future land use management matters will be dealt with in terms of the new provisions of this Act. The municipality received assistance from Dept of Rural Development to gazette their new By-Law in the 2015/2016.

Gazette where By-Law was published 19 October 2015 (Notice 154 of 2015) http://www.gpwonline.co.za/Gazettes/Pages/Provincial-Gazettes-Northern-Cape.aspx

The new By-Law was promulgated in November 2015. In the previous Annual Report of 2015/2016 a full SPLUMA Report with all preparations done and Council Decisions taken were attached. For the 2016/2017 year under review only a register of the applications and the progress there of have been recorded as Karoo Hoogland Municipality now form part of the District Municipality's Municipal Planning Tribunal who decides on applications after the full process have been completed.

SPLUMA administrators at Karoo Hoogland appointed by Council : Municipal Manager & Manager : Admin

Municipal Planning Tribunal active since March 2016

With the new SPLUM Act and Regulations the SDF must be revised before 2020 and a request for assistance was send to the Department of Rural Development and Land Reform in this regard. The Department are currently busy with the Terms of Reference to complete specifications for the tender process. The current SDF was developed and approved by Council in 2010/2011 and must be revised before 2018 to include new legislation. SKA proposed to sponsor the revision of the SDF as this is a very expensive project. The tender for a consultant to do the revision of the SDF will commence in 2017/2018.

List and progress of Applications received and in process for 2016/2017: Windfarms, Rezoning, Consolidations, Subdivisions summarized in Register

Progress On Applications for Land Use Development

Detail	Formalisation of Townships			Freestanding Cellular Communication Base Station			Rezoning			Built Environment/ Building plan applications		
	2015/2016	2016/2017	2017/2018	2015/2016	2016/2017	2017/2018	2015/2016	2016/2017	2017/2018	2015/2016	2016/2017	2017/2018
Planning application received		1			2	2		3		3	9	4
Determination/approval made in year of receipt										3	9	
Determination/approval made in following year					2			3				
Applications withdrawn												
Applications outstanding at year end		1			2			3				
Application for land for housing		1										

3.11 LOCAL ECONOMIC DEVELOPMENT

Municipalities have a Constitutional Mandate to promote Local Economic Development (LED). Section 153 of the Constitution of the Republic of South Africa, 1996 states that: "*A municipality must structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the Community.*"

Economic development can be defined as an "*activity that seeks to improve the economic well-being and quality of life for a community, by creating and/or retaining jobs*".

Local Economic Development (LED) is an approach to sustainable economic development that encourages residents of local communities to work together to stimulate local economic activity that will result in, inter alia, an improvement in the quality of life for all in the local community.

SECTOR OF EMPLOYMENT, 2009 (SOURCE: QUANTEC DATA 2009)

	Northern Cape	Namakwa DM	Karoo Hoogland LM
Agriculture, forestry and fishing	16.6%	12.6%	23.5%
Manufacturing	3.8%	2.8%	5.3%
Electricity, gas and water	0.6%	0.4%	0.1%
Construction	4.6%	5.7%	1.8%
Wholesale and retail trade, catering and accommodation	16.1%	14.6%	15.5%
Transport, storage and communication	3.2%	3.3%	2.2%
Finance, insurance, real estate and business services	9.2%	8.1%	5.0%
Community, social and personal services	15.5%	17.7%	28.8%
General government	22.3%	18.6%	17.7%

From 1995 to 2009, an average GDP (Gross Domestic Product) growth rate of -0.9% was observed in Karoo Hoogland, which was inadequate to create sufficient jobs in the local economy to reduce the unemployment rate. Karoo Hoogland Municipality has a draft Local Economic Development Strategy which will be reviewed and approved in 2017/2018 financial year.

JOBS CREATED THROUGH EPWP

In relation to three years ago's EPWP projects of the upgrading of Bergstraat (Williston) and the Eradication of Persopis trees, there were no EPWP projects during the financial (2013/14) year. In 2014/2015, 2015/2016 and 2016/2017 about 45 EPWP jobs were created in each financial year.

JOBS CREATED THROUGH CWP

Council approved the Community Works Programme in partnership with COGHSTA, EPWP and Dhladla Foundation (as Implementing Agent) to adhere to local economic development priorities and objectives. The total side employment opportunities are set at 190 in Williston, 180 in Fraserburg and 180 in Sutherland which accumulates to 550 job opportunities. However in the 2016/2017 only 64(williston), 24(Fraserburg) and 104(Sutherland) were registered and commenced employment.

Registration can be done continuously. CWP workers receive training on local economic development in all wards and job creation, skills and education and moral regeneration, social development and crime prevention as part of their three year side plan approved by Council.

OTHER JOBS CREATED THROUGH CAPITAL PROJECTS & SECTOR DEPARTMENTS

With the commenced of construction on Capital Projects funded through MIG the following amount of jobs was also created:

2016/2017

CAPITAL PROJECTS (CONTRACTORS)

Project:	Ward:	Amount of jobs:	Duration
Rebelskop Stormwater upgrading	4(Sutherland)	15	18 months

2017/2018

Water Reticulation Network	4(Sutherland)	15	12 months
Williston Borehole Phase 1 Construction	1(Williston)	4	4 months

2017/2018

DEPARTMENT OF PUBLIC WORKS

Reseal of Fraserburg/Leeu Gamka Tar Road	2(Fraserburg)	20	6 months
Reseal of Fraserburg/Williston Tar Road	2(Fraserburg)	20	6 months
Reseal of Williston/Carnarvon Tar Road	1(Williston)	25	6 months
Maintenance of Provincial Tar Roads	4(Sutherland)	15	6 months

The following priorities will be revisited in 2017/2018 and personnel will again actively take part to ensure the reaching of these goals:

THE FOLLOWING LOCAL ECONOMIC DEVELOPMENT POLICY OBJECTIVES WERE TAKEN FROM THE IDP:

PRIORITY ISSUE: EDUCATION, ILLITERACY AND SKILLS DEVELOPMENT

Objectives:

- Engage with schools and relevant stakeholders regarding access to and development of training infrastructure
- Establish, with relevant stakeholders, general training and skills development programmes accessible by the community
- Engage with relevant stakeholders regarding the enhancement of education in the area

PRIORITY ISSUE: THE SUCCESSFUL IMPLEMENTATION OF THE NEW LED STRATEGY:

Objective:

- To establish partnerships with relevant stakeholders and consult with them in the successful implementation of the LED strategy

PRIORITY ISSUE: THE DEVELOPMENT OF A TOURISM INDUSTRY:

Objectives:

- Develop a tourism strategy in consultation with stakeholders
- Develop skills and services related to tourism
- Develop tourism infrastructure
- The marketing of Karoo Hoogland as a tourism destination
- Establishment and enhancement of festivals unique to the area

PRIORITY ISSUE: STIMULATE LOCAL ECONOMY

Objectives:

- Attract potential investors through incentive programmes
- Develop basic infrastructure on vacant municipal land e.g. water, electricity
- Enhance skills and SMME development with a view to marketing services outside the region
- Identify agricultural projects for development and marketing

PRIORITY ISSUE: ADDRESS SOCIAL CHALLENGES THAT HINDER ECONOMIC DEVELOPMENT

Objectives:

- Establish, in consultation with stakeholders, a strategy for the management of alcohol abuse and related welfare challenges
- Develop or identify infrastructure to support social welfare programmes
- Develop and enforce by-laws relating to establishments that contribute to social challenges
- Develop youth empowerment programmes
- Develop and source skills related to social development

PRIORITY ISSUE: SAFE AND AFFORDABLE HAVEN FOR VISITORS AND RESIDENTS

Objectives:

- Development of public facilities such as parks, sport and recreational infrastructure
- Engage with business sector regarding affordability of goods
- Develop, in collaboration with stakeholders, a crime prevention strategy
- Develop, in collaboration with relevant government departments, sufficient available health services
- Enhance access to public transport

PRIORITY ISSUE: DEVELOP ENVIRONMENTAL POLICIES AND BY LAWS

Objectives:

- To address environmental challenges and compile strategies
- Wetland Protection Strategy
- Revised and implement Integrated Waste Management Strategy

- Develop and Implement Environmental by laws
- Develop, mechanism to ensure environmental accountability and reporting
- Develop Climate Change Strategy and business plans to implement

COMPONENT D :
COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums, arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes.

3.12 LIBRARIES, ARCHIVES, MUSEUMS, COMMUNITY FACILITIES AND OTHER

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES (LIBRARIES, ARCHIVES, MUSEUMS, GALLERIES, COMMUNITY FACILITIES, OTHER THEATRES, ZOOS ETC)

LIBRARIES

The Municipality has four Libraries that render services to the communities of Williston, Fraserburg, Ammerville (suburb in Fraserburg) and Sutherland.

MUSEUMS

The Municipality operates and maintains two museums, one each in the towns of Williston and Fraserburg. The Municipality also budgeted for financial support to the privately owned Museum, NP van Wyk Louw Museum, in Sutherland in the 2016/2017 financial year, however they did not claim it.

COMMUNITY FACILITIES

The municipality has a community hall in Williston and two in Fraserburg. The one in Amandelboom (Williston) is totally vandalized and have been out of use from the past eight years. The two in Fraserburg are frequently being used for dances, community meetings and other events. The Municipality also makes the Community Hall in Ammerville (Fraserburg) available for grant payouts. The Councillors also make use of the community halls for community and ward committee meetings. This is quite a headache when organizing IDP and Budget meetings in Williston and Sutherland as we have to rent facilities, usually the Sneeuvlokkie hall in Sutherland and the Nico Bekker Hostel Hall in Williston. Williston also has the Church hall and a big hall owned by the “Landbougenootskap” which also have catering facilities. New Supply Chain regulations makes the renting of venues very difficult as more than three quotations should always be obtained.

ARCHIVES

The Section Registry processes all incoming correspondence from the Community in the Postal Register, which are then indexed on the electronic Document Management System. All Transfer documentation of erven is kept safely in the Registry. All payments received through the postal system are handled in a Register. Filing is done on a daily basis by one official.

The records management function is articulated according to the National Archives and Records Service of South Africa Act (Act 43 of 1996). An approved filing plan from National Archives are being

used. A duplication service is rendered for the Municipality in general as well as a messenger service for delivery of documents and mail.

It is in our planning for 2017/2018 to prioritize the records management department's policies, resources, responsibilities, training, strategic plan, classification system, procedures and storage as well as update the File Plan (also for Electronic Document Management).

About 2400 documents were handled by the section through postage mail and faxes as well as hand deliveries for the 2014/2015 financial year. Approximately 20 Worthy Non-Spam Work Related Emails per day received on the karooadmin@telkomsa.net email account in the 2014/2015 financial year. This amounts to more or less 4800 emails for the year under review.

In the 2015/2016 financial year all office personnel received personalized email accounts which includes your first letter of your name and your surname @karoohoogland.gov.za – The karooadmin@karoohoogland.gov.za email account's traffic increased to over 5700 emails for the 2016/2017 year. As companies and community members become more "internet savvy" they tend to make more use of email than faxing.

Financial Performance 2015/2016 : Libraries, Archives, Museums, Community Facilities and Other			
Details	Original Budget	Actual	Variance to Budget
Total Operational Revenue	1,719,600	1,660,942	4%
Expenditure			
Employee	1,156,280	1,367,144	-15%
Repair and Maintenance	353,884	34,180	935%
Other	209,436	173,913	20%
Total Operational Expenditure	1,719,600	1,575,237	9%
Surplus /(Deficit)	-	85,705	

FINANCIAL PERFORMANCE 2016/2017 : LIBRARIES,ARCHIVES,MUSEUMS,COMMUNITY FACILITIES			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	R 2,083,100.00	R 2,430,296.00	-9%
Expenditure:			
Employees	R 1,433,300.00	R 1,460,800.00	-2%
Repair and Maintenance	R 322,600.00	R 317,253.00	2%
Other	R 373,200.00	R 316,910.00	17%
Total Operational Expenditure	R 2,129,100.00	R 2,094,963.00	
Surplus /(Deficit)	-R 46,000.00	R 335,333.00	

3.13 CEMETERIES AND CREMATORUIMS

The Municipality has a cemetery in each of the towns which are maintained by municipal workers. The Municipality does not have any crematoriums operated by municipal personnel however the municipality owns a few mortuaries which are being rented for that purpose.

FINANCIAL PERFORMANCE 2015/2016 : CEMETERIES			
Details	Original Budget	Actual	Variance to Budget
Total Operational Revenue	8,000	9,742	-18%
Expenditure			
Employee			
Repair and Maintenance	5,000	3,560	40%
Other	2,000	-	0%
Total Operational Expenditure	7,000	3,560	97%
Surplus /(Deficit)	1,000	6,182	

FINANCIAL PERFORMANCE 2016/2017 : CEMETERIES SERVICES			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	R 11,500.00	R 9,010.00	28%
Expenditure:			
Employees	R 0.00	R 0.00	0%
Repair and Maintenance	R 5,000.00	R 3,070.00	63%
Other	R 2,000.00	R 1,260.00	59%
Total Operational Expenditure	R 7,000.00	R 4,330.00	0%
Surplus /(Deficit)	R 4,500.00	R 4,680.00	

The Municipality does not have separate personnel attending to this function or a budget for it.

The following project has been identified in the IDP:

- Environmental Impact assessment with the view to expand current cemeteries

The municipality also issue grave plots to applicants.

	2015/2016	2016/2017	2017/2018
Graveplots/burials :	97	131	94(until Dec '17)

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The Municipality does not provide this service as it is a Provincial function. Although by law it is a function of the municipality it is not affordable and the municipality does not budget for this function. However the Department of Social Development did establish a pre-school (crèche)(Early Childhood Development Centre) in Williston on erven that the municipality made available. Further schools will be developed in Fraserburg and Sutherland in the future.

A safe park / playground will also be developed by ISIBINDI next to the pre-primary school in Williston. The said institutions indicated that the same development will take place in Fraserburg and Sutherland in the future. The municipality did already identified erven for it to be developed on. This project did not progressed in 2016/2017.

The Williston Drop In Centre received a grant to build a new Multi Purpose Centre. They requested land from the municipality to build this Centre and an area was identified. The Spatial Planning processes for this centre commenced in 2016/2017.

There are currently two old age houses in Williston for the community, one in Fraserburg and one in Sutherland. These old age houses are administered by an NPO called ACVV. It must be stressed that these old aged houses do struggle to survive financially.

COMPONENT E : ENVIRONMENTAL PROTECTION

The function is currently residing at the District Municipality, who is the designated licensing authority, issuing licenses to premises or industries. The Karoo Hoogland Municipality has however a monitoring function in this regard. Pollution control forms part Environmental Health, in the absence of a section dedicated to Pollution control, solely. Namaqua District Municipality remains responsible for the enforcement of Pollution Control.

3.15 POLLUTION CONTROL

The Municipality does not provide this service as it is a Provincial function and services are provided by Namakwa District Municipality.

INTRODUCTION TO POLLUTION CONTROL

Pollution Control form part of Environmental Health and there is no separate section for pollution control.

Environmental Pollution consists of:

1. Dirty or unsightly conditions

a) Accumulation of refuse, debris, including glass, paper, rags, tins, trash, ash and coal.
b) Overgrown weeds and long grass, existence of thicket, shrub or any poisonous plants.
c) Accumulation of wreck, chassis, engine or other part of a motor vehicle which is unsightly and may pose a health nuisance.
d) Offensive smells from any activity on premises.
e) Stagnant water and dumping or littering of waste on premises.
f) Breeding of flies or mosquitoes.
g) Harbourage of rodents or other vermin on the premises.

2. Littering, dumping and burning of waste

a) Dumping, throwing or littering of waste, including rubbish, glass, tins, paper, car wrecks or parts of motor vehicles, dead animals, waste water or flushing water or other litter or waste, whether liquid or solid, on or in a street, road, bridge, thoroughfare, open space, vacant stand, public place or any watercourse.

b) Burning or permitting of burning of any waste material, including tyres, rubbish, garden refuse, paper or other material on any premises in such a way as to create a health nuisance or health hazard.

SERVICE STATISTICS FOR POLLUTION CONTROL

Inform the community via pamphlets and radio talks, door to door campaigns, workshops, regarding alternative measures to be taken such as the boiling of water, the adding of a disinfectant like bleach when water do not comply with safety standards. With regards to the 2016/2017 financial year, no failures occurred in terms of safe drinking water. When failures would occur, the community are alerted immediately as to the said precautionary measures.

AIR POLLUTION

Service delivery priorities:

At local level our function is only to observe and monitor air pollution and also react on complains from the community if a nuisance occur in the jurisdiction of the local municipality, we either serve a notice to rectify the problem immediately or refer it to the district municipality for further investigations and where necessary, legal steps deemed. The District Municipality, Namakwa, is also the licensing authority in terms of premises or industries, requiring licences for their respective activities. An investigation into the use of Asbestos housing and the usage of coal inside the houses to prepare food has commenced in 2014/2015. A report in this regard was received in 2015/2016 and business plans to address the problems identified followed in 2016/2017. The Final Provincial Plan/Strategy for Air Quality Management has been compiled by the Department of Environmental Affairs and implementation will commence in 2018/2019 after proper consultation with municipalities.

The impact:

Air pollution in general has a detrimental effect on the inhalation system of the body which can cause sinusitis or even lung disorders if exposed over long periods.

Measures taken to improve:

If a nuisance occurs in the jurisdiction of the local municipality, we either serve a notice to rectify the problem immediately or refer it to the district municipality for them to withdrawn the licence of the premise if applicable.

Environmental pollution:

Service delivery priorities:

- Waste removal from households is done once every week and from the business sectors twice every week.
- Daily observations for illegal dumping and handling of refuse complaints.
- Delivering of black plastic bags to all the households in the jurisdiction to minimize illegal dumping.
- Medical Waste is being collected and removed from the hospitals and clinics by private companies who specify in this field.

The impact:

Environmental pollution causes economical restrains for the tax payers and illegal dumping leads to unhygienic conditions.

Measures taken to improve:
Complaints about illegal dumping which could not be traced to a specific person are rectified every Friday by the Refuse Removal Section. If a person, responsible for the illegal dumping could be identified, a notice is given which grants him/her five working days to rectify the problem otherwise it will be done by the refuse removal services at cost to the polluter.

3.16 BIO-DIVERSITY (INCLUDING CLIMATE CHANGE)

Climate Change is currently emanate and is increasing faster than it was anticipated by scientists. Climate Change is effected mostly by the increasing of the average global temperature due to the increased greenhouse gasses emissions in the atmosphere. The effect of the changing climate has an impact on people's livelihoods as well as on our wildlife and the environment.

The level of the impact of climate change depends on the rate of increasing earth temperature. Climate change will cause some regions to become wetter and others warmer, while some regions will be more at risk of heat waves, drought, flooding and natural disasters. Climate change could ruin food chains and ecosystems, putting whole species at risk of extinction. Taken into account the above a look at Karoo Hoogland and its bio-diversity and the effect on it, we are in the need of some urgent planning for the future in this region.

Giving the following background the reader will understand the necessity of such an action plan and funding for these future climate change projects.

Karoo Hoogland is an area consisting of a flat landscape. Rainfall occurs mainly in summer between 100mm - 300mm per year. This area a key biodiversity location with a significant biodiversity that not only contains critical water management sites, but also unique invertebrate plant live.

Karoo Hoogland is home to wide variety of bulbs, riverine rabbit, monkey beetles, bees and wasps. This biodiversity can contribute to the future socio economic well-being of the inhabitants.

Taken the above in account the effect of climate change could influence the community's livelihoods especially the poor communities reliant on agriculture and farming. The further risk of climate change in increased intensity of drought will lead to complete desertification and further water scarcity. Fire will be a constant risk due to hot winds and dead or dry vegetation. Subsistence farmers will suffer the most and are likely to lose their livelihood to the encroaching desert.

Local Government is on the front line of implementation and service delivery and thus need to pursue adequate mitigation and adaption strategies, which include participation from the public sector, private sector and NGOs.

Climate Change is complex and therefore requires a collective action. A sectoral approach is not advisable as this challenge requires a multi sectoral strategy. There is a need for collaboration amongst all stakeholders and the Northern Cape Government needs to play a leading role in this regard. The municipality try to attend all forums with regard to Climate Change and have already submitted business plans to DENC. However it was unsuccessful in the 2015/2016 year. The municipality is fully aware of the impact Climate Change has and the indirect effect on the environment as 2014/2015, 2015/2016 and 2016/2017 were very dry years where most of the municipal rural areas still have a harsh drought. Water restrictions have been implemented as per request from Department of Water Affairs since October 2015. Action Plans and projects will be

drafted to address these eminent issues in 2017/2018 and precautionary measures to be set in place to minimize the risk of having less and less water in the future.

Namakwa District Municipality compiled a District Climate Change Vulnerability Strategy (after a full scale assessment was done) for implementation by all seven municipalities within the District. The ideal would be that all future developments must adhere and align to this Strategy.

3.17 SKA & SALT

SAAO

A document SALT Collateral Benefits Plan was compiled in July 1999 outlining the benefits SALT will have for South Africa specifically in terms of astronomy technology industrial and educational empowerment.

Parallel to these developments the SAAO and the previous Council of Karoo Hoogland Municipality signed a partnership (twinning) agreement. A range of joint projects were identified through a series of community workshops and LED funds were granted in 1999/2000 to kick start the projects under the auspices of the mentioned partnership agreement.

The Main thrust of the agreement is that SALT provide opportunities to alleviate poverty in the region through the SALT collateral benefits Plan. Education, Economic Development and Tourism are addressed through this agreement and a dedicated department has been established. SALT itself is a major tourism destination but remains predominantly a research facility. To expose the public and especially children to astronomy is part of their future goals.

SALT Astro Tourism has become a main contributor to economic growth in the Municipality. Through SALT Astro Tourism is popular among South Africans and a total number of 10 000 tourists visit the facility annually.

SKA

The Karoo Array Telescope (MeerKAT) project involves the construction of a world call radio telescope which is being built by the Department of Science and Technology and National Research Foundation near the towns of Carnarvon and Williston.

The construction of the SKA is expected to cost about 1.5 billion euros. The operations and maintenance of a large telescope normally cost about 10% of the capital costs per year. This means the international SKA consortium will be spending approximately 100 to 150 million Euros per year on the telescope.

Karoo Hoogland Municipality envisage an agreement between them and Kareeberg Municipality for the purpose of this twining agreement is to ensure that the local communities benefit from the economic opportunities that will come from the construction of the SKA.

SKA will also fund the revision of the SDF in 2017/2018 and 2018/2019 as mentioned earlier.

The municipality envisages to sign a twinning agreement with the SKA built on and expand the current twinning agreement with SALT.

3.18 COMMONAGE

The Municipality has four Farms on which previously disadvantaged farmers farm on and benefit on. However the one, Verjaagsfontein, is still registered in the District Municipality's name. Rural Development and Land Reform promised to assist with projects to address the current veld detorization situation in 2015/2016 and 2016/2017, however no assistance was given. We look forward to 2017/2018 for assistance and better working relationships.

The municipality also has historic commonage areas close to the towns where farming activities are accommodated.

The Commonage policy and by-law will enjoy attention during 2017/2018 to be aligned with national and provincial strategies and vision.

3.19 APPLICATIONS AS WELL AS ENVIRONMENTAL IMPACT ASSESSMENT NOTIFICATIONS RECEIVED FOR DEVELOPMENTS OF RENEWABLE ENERGY & MINERAL MINING

WINDFARMS & RENEWABLE ENERGY

KARUSA & SOETWATER WINDFARM // ANEL GREENPOWER

- EIA completed
- A post for a stakeholder manager has been advertised for the communities of Sutherland, Laingsburg and Matjiesfontein that will benefit from this project
- Construction to commenced

ROGGEVELD WINDFARM // SAVANAH ENVIRONMENTAL

Busy with applications

SUURPLAAT WINDFARM // SAVANAH ENVIRONMENTAL

Busy with applications

SUTHERLAND RIETRUG RENEWABLE ENERGY FACILITY //ROODE & ASSOCIATES (2016/2017)

Busy with applications

140MR BRANDVALLEY WIND ENERGY SOLAR FACILITY //G7 ENERGIES

Busy with applications

PROPOSED KOMSBERG EAST AND WEST WIND ENERGY FACILITY //EIMS

Busy with applications

MINERALS/MINING PERMIT APPLICATIONS

APPLICATION FOR MINING PERMIT BY POWER CONSTRUCTION (EDMS) LTD
Portion 3 of Farm 99 Jakhals Valley (Sutherland)

APPLICATION FOR MINING PERMIT BY SITE PLAN CONSULTING
Farm 209 Remainder (Sutherland)

STRATEGIC ENVIRONMENTAL ASSESSMENT FOR SHALE GAS BY CSIR AND OTHER DEPARTMENTS (2015/2016)
Study Area : Eastern Cape, Northern Cape and Western Cape and includes 27 local municipalities encompassing 171 811km^2

APPLICATION FOR PROSPECTING RIGHT (PROPOSED PROSPECTING OF URANIUM AND MOLYBDENUM BY SARMCO GROUP (PTY) LTD) WEALTH-AGE HOUSE OF CAPITAL
Includes about 29 farms in the Fraserburg Area within Karoo Hoogland Municipality

3.20 OCCURRENCE OF NATURAL PHENOMENA'S

It is clear when you take the above into account that climate change is happening. In October 2012 an earthquake of about 3.6 on the scale occurred in Williston. In the 2015, 2016 and 2017 year, the Northern Cape as well as South Africa experienced a drought and lowest average rainfall since 110 years. Flooding usually occurs every 13 years in our municipal area. In April 2001 and in 1988 flooding occurred. All statistics and weather reporters warns about El Nino and La Nina every now and then on the news. Natural phenomena's are occurring more and more unpredictably and even the seasons are changing. Winters starts later and lasts longer and the same with summer.

Karoo Hoogland need to plan for these changing times in 2017/2018 as well as prepare contingency plans for when disaster may strike. It was also mentioned in the Audit Committee that the Finance Department should budget for drought for the collection rate that might decrease as when farmers experience drought it has an effect on their payment of the accounts. This will be taken into consideration in the 2017/2018 financial year.

COMPONENT F : HEALTH

3.21 CLINICS

This is a Provincial function and provided by the Department of Health. The service is however not satisfactory due to the shortage of doctors, ambulances as well as inferior conditions of the road infrastructure between the towns.

Williston, Fraserburg and Sutherland each have a hospital with limited services rendered at these facilities. The function to provide Health Services is the Provincial Government Department of Health's

respectively. A new Community Health Centre has been planned to be constructed in Williston since 2010 but the project is currently on hold.

The services at the current facility are not always satisfactory due to the shortage of medical personnel and limited ambulance services. Patients in the rural areas are dependent on ambulance services and the gravel roads are not in a suitable condition.

3.22 HEALTH / AMBULANCE SERVICES

This is a Provincial function and provided by the Department of Health. The service is however not satisfactory due to the shortage of doctors, ambulances as well as inferior conditions of the road infrastructure between the towns. The services at the current facility are not always satisfactory due to the shortage of medical personnel and limited ambulance services. Patients in the rural areas are dependent on ambulance services and the gravel roads are not in a suitable condition.

3.23 HEALTH INSPECTIONS, FOOD & ABATTOIR LICENSING & INSPECTION

In each of the three towns there are abattoirs that are privately owned. The Municipality cannot afford to appoint an Environmental Health Inspector and is this service rendered and financed by Namakwa District Municipality on a contract base to the Municipality.
All food and abattoir property owners have to apply to the municipality for inspections where after, if they are found to be suitable, they receive an Inspection Certificate.

INTRODUCTION TO HEALTH INSPECTIONS; FOOD & ABATTOIR LICENCING AND INSPECTIONS

Health inspections are done by the Environmental Health Practitioner (EHPs) and he is concerned with the administration, inspection, monitoring, education and regulation as prescribed in environmental health legislation. He act as a public arbiter of environmental health standards, maintaining close contact with the community.

They develop professional standards and apply them in environmental health and the main functions can be described as:

1. Ensure safe food:
    a. All food handling premises must be in possession of COA's (Certificate of Acceptability) - which implies that health requirements are met in terms of R962 (Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act 54 of 1972).

       All Food handlers were reached and educated through health awareness campaigns.

2. Ensure safe water through continues sampling
3. Ensure safe medical waste disposal. Maintain a compliance ratio of 95% through the year.
4. Accommodate informal trading by implementing minimum health standards and equip informal food handlers with health education

Safe Water:

Actual samples taken by this division in 2016/2017 which includes quality and compliance monitoring was 108 (9 per town per month x 12) water samples in all three towns with a population ratio of approximately 12 588 people (including the rural areas).

COMPONENT G : SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

3.24 FIRE / DISASTER MANAGEMENT

Fire Services is currently a function of the Namakwa District Municipality however the Municipality do have a water truck and fire units for emergencies to attend to. The compiling of a Disaster Management Plan is currently a responsibility of Namakwa District Municipality who assists us with it.

The present budget constrains also impacts on the purchase of much needed equipment and hampers service delivery to the community and business's. The risks are increasing with the present local economic growth and preventative/rehabilitative measures needs to be put in place in order to ensure a safe living environment for all communities.

In 2016/2017 two fires occurred where houses burnt down in Williston where the District Municipality assisted the municipality. Two veld fires also occurred in our area.

3.25 OTHER DISASTER MANAGEMENT

Annual drills are held by the District Municipality to assess competency with volunteers and all involved stake holders e.g. SAPS, Department of Health, EMS, ACSA, SANDF, Provincial Traffic and other government departments are involved.

	2015/2016	2016	2017
MOTOR VEHICLE ACCIDENTS REPORTED TOTALS :	18	23	14
ACCIDENTS PER TOWN (BREAKDOWN)			
WILLISTON		13	4
SUTHERLAND		5	4
FRASERBURG		5	6
FIRE RELATED ACCIDENTS REPORTED:	6		4

A project where the community could voluntarily apply for their problem animals to be put down was completed by the Department of Veterinarian Services of Calvinia and Environmental/Municipal Health Services as well as by the Fraserburg Offices of this Department.

3.26 LAW ENFORCEMENT OF BY-LAWS

The enforcement of by-laws are very difficult as the municipality does not have a Law Enforcement Officer or a Security Unit who can enforce the laws. Only one by-law was gazetted in 2016/2017 and the need for a Law Enforcement Officer must be addressed. The Keeping of Dogs was promulgated on 7 November 2016 and a few more to follow in 2017/2018.

COMPONENT H : SPORT AND RECREATION

3.27 SPORT AND RECREATION

The Municipality has sport grounds in Williston and Fraserburg which are maintained by municipal staff.

Williston

- The current sport facility is more than 40 years old.
- During 2013/2014 financial year the Council spend R300 000 to maintain and repair the pavilion in order for it to be safe. The wooden seats were removed, steal welding repaired and the wooden seats replaced.
- All the schools and the local rugby clubs make use of this facility.
- The sports ground is in walking distance and no previous complaints have been received in this regard.
- Due to the absence of a proper fence and a secure entrance the normal vandalism take place.
- The municipality does have personnel there during the day time that irrigates the grace and so small repairs.
- The local rugby club plays all their matches there and the community attends the matches.
- The municipality cannot afford more than one sport facility and do budget each year for maintenance.
- Currently due to the drought, the grass is diminishing but water is available at the sport grounds.
- The sport facility is also as such included in the approved Spatial Development Plan of the Municipality.
- The Tennis court is also nearby the sport ground and is utilized by the community.
- The sport ground is named after Mr JA Louw (Das Louw Stadium) who died at the age of 100 years in 2014. Mr JA Louw established the sport facility and the swimming pool years back in his term of Mayor.
- The swimming pool are in operation each year from November till March. However due to water restrictions the swimming pool did not open in the 2015/2016, the 2016/2017 and the 2017/2018 year.

Fraserburg

- The sport facility also need an adequate fence and entrance to keep it safeguarded and protected from vandalism which occurs frequently.
- There is only one sport facility and it’s being utilized by all the schools and the local rugby club.
- There are boreholes and enough water and the grass is in a good condition due to the stable water supply.
- The sport ground does not have a specific name at this stage.
- The tennis courts are also nearby situated.
- The sport facility is mostly utilized by the disadvantaged community.
- Maintenance is also done within the budget limits.

Sutherland

- There is no sport facility for the community, only a rugby field at the school which is in a poor condition.
- The municipality assists each year with maintenance so that athletics could be held.
- The proposed site for 2016/2017 of the sport facility was at Rebelskop. This project planning phase commenced in 2015/2016 and the phase 1 construction commenced in 2016/2017.

Financial Performance 2015/2016 : Sport and Recreation			
Details	Original Budget	Actual	Variance to Budget
Total Operational Revenue	28,000	83,030	-66%
Expenditure			
Employee	736,300	642,879	15%
Repair and Maintenance	25,000	79,690	-69%
Other	168,639	9,786	1623%
Total Operational Expenditure	929,939	732,355	27%
Surplus /(Deficit)	(901,939)	(649,325)	

FINANCIAL PERFORMANCE 2016/2017 : SPORT AND RECREATION			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	R 24,600.00	R 1,578.00	1450%
Expenditure:			
Employees	R 721,000.00	R 527,094.00	37%
Repair and Maintenance	R 25,000.00	R 32,206.00	-22%
Other	R 70,300.00	R 79,953.00	-12%
Total Operational Expenditure	R 816,300.00	R 639,253.00	
Surplus /(Deficit)	-R 791,700.00	-R 637,675.00	

The municipality has sufficient parks in the urban and suburban areas for local residents to use for relaxation and recreation. There is however a shortage of parks in the peri-urban and rural areas of the municipality. This shortage is slowly being attended to through development of additional parks in these neighbourhoods.

COMPONENT I : CORPORATE POLICY OFFICES AND OTHER SERVICES

3.28 EXECUTIVE AND COUNCIL

The Municipal Council consists of 1 full time Mayor and 6 part time councillors. The Municipal Manager is the Chief Executive Officer of the Council and also the Accounting Officer in terms of the MFMA.

The main priorities of Council are outlined in the Key Performance Areas as contained in the IDP.

Financial Performance 2015/2016 : Executive and Council			
Details	Original Budget	Actual	Variance to Budget
Total Operational Revenue	1,528,000	2,058,886	-26%
Expenditure			
Employee	4,320,040	4,218,499	2%
Repair and Maintenance	20,000	36,255	-45%
Other	3,905,493	7,105,236	-45%
Total Operational Expenditure	8,245,533	11,359,990	-27%
Surplus /(Deficit)	(6,717,533)	(9,301,104)	

FINANCIAL PERFORMANCE 2016/2017 : EXECUTIVE AND COUNCIL			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	R 1,686,300.00	R 1,800,684.00	-6%
Expenditure:			
Employees	R 4,979,100.00	R 5,034,139.00	-1%
Repair and Maintenance	R 4,000.00	R 53,065.00	-92%
Other	R 3,827,800.00	R 4,945,109.00	-23%
Total Operational Expenditure	R 8,810,900.00	R 10,032,313.00	
Surplus /(Deficit)	-R 7,124,600.00	-R 8,231,629.00	

SERVICE DELIVERY

Priority Issue: Lack of infrastructure for proper service delivery

Objectives:

- To enhance sustainable service delivery through infrastructure development
- To ensure proper operation and maintenance of existing infrastructure and equipment
- To develop appropriate skills required for efficient service delivery
- To ensure a healthy environment for all residents with reference to combinable diseases
- Provision of standard sanitation for all residents
- Improve the storm water infrastructure
- Improve road infrastructure

FINANCIAL VIABILITY

Priority Issues: The development of a financial plan with strategies to ensure that Karoo Hoogland will be a financial viable entity.

Objectives:

- To seek commitment of provincial treasury to assist with the development of a financial plan.
- To convert to MSCOA in July 2016 and be MSCOA compliant by 1 July 2017
- Continuous focus on credit control and compliance

MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

Priority Issues: To establish proper administrative and institutional infrastructure to properly regulate the implementation of the IDP

Objectives:

- Implementation of a new organogram with job descriptions and aligning the Organogram to the SDBIP and the IDP
- To develop a Performance Management System in 2017/2018

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Priority Issue: To ensure that the Constitution of South Africa is applied in Karoo Hoogland to improve the quality of life of all its citizens and to establish a society based on democratic values, social justice and fundamental human rights.

Objectives

- To actively involve the public in local government management
- To monitor and evaluate the performance of council in terms of its PMS

3.29 FINANCIAL SERVICES

This section is being dealt with in detail in Chapter 5.

DEBT RECOVERY 2015 /2016			
Details	Billed	Actual	% Collected
Property Rates	5,058,502	4,012,596	79%
Electricity	8,796,937	8,597,083	98%
Water	2,349,551	1,819,713	77%
Sanitation	2,304,609	1,828,434	79%
Refuse	1,723,839	1,131,597	66%
Other	431,711	306,512	71%

DEBT RECOVERY 2016/2017			
Detail	Billed	Actual	% Collected
Property Rates	R 5,488,346.00	R 4,335,793.00	79%
Electricity	R 8,771,818.00	R 8,596,381.00	98%
Water	R 2,879,981.00	R 2,131,185.00	74%
Sanitation	R 2,634,875.00	R 2,055,202.00	78%
Refuse	R 2,046,054.00	R 1,555,000.00	76%
Other	R 798,236.00	R 462,976.00	58%

FINANCIAL PERFORMANCE 2015/2016: FINANCIAL SERVICES			
Details	Original Budget	Actual	Variance to Budget
Total Operational Revenue	10,820,693	12,295,448	-12%
Expenditure			
Employee	5,525,900	7,081,202	-22%
Repair and Maintenance	380,000	216,773	75%
Other	4,214,843	4,195,350	0%
Total Operational Expenditure	10,120,743	11,493,325	-12%
Surplus /(Deficit)	699,950	802,123	

FINANCIAL PERFORMANCE 2016/2017 : FINANCIAL SERVICES			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	R 10,407,700.00	R 9,854,057.00	6%
Expenditure:			
Employees	R 5,727,900.00	R 6,187,903.00	-7%
Repair and Maintenance	R 75,000.00	R 290,417.00	-74%
Other	R 6,386,300.00	R 5,063,874.00	26%
Total Operational Expenditure	R 12,189,200.00	R 11,542,194.00	
Surplus /(Deficit)	-R 1,781,500.00	-R 1,688,137.00	

3.30 HUMAN RESOURCE SERVICES

There are 93 posts approved on the current organogram and there are currently 23 vacancies on the approved organogram. Due to budget constraints the Municipality is not able to appoint all personnel as indicated on the approved organogram. However, it will be addressed in 2017/2018.

Karoo Hoogland Municipality underwent a Work-study process to revise the organizational structure in 2013/2014 for implementation in 2015/2016 financial year. Karoo Hoogland Municipality recognized the significance and importance of the development and management of its employees in order to deliver an optimal service to the community.

STAFFING AND MANAGEMENT PROFILE

- The total staff complement as at 30 June 2017 was 70 permanent employees.
- 2 Financial Interns was employed at 30 June 2017.

STATUS OF MANAGERIAL POSITIONS AS AT 30 JUNE 2017

- Municipal Manager was appointed in November 2013 and his contract was terminated on 30 June 2017
- Director: Corporate Services was vacant since May 2014, However on the new organogram the Directorate Corporate Services do not have a director.

- Director: Infrastructure Services appointed on 1 June 2016 – he was acting since September 2011
- Director: Financial Services was appointed on 1 July 2016 – on a 5 year contract

SKILLS DEVELOPMENT AND TRAINING

The WSP was submitted in time in terms of legislative requirements.

All Councillors, some office personnel and general workers received training during the 2016/2017 year as well as the Municipal Manager.

Minimum Competency Level Training's process of recognition of prior learning commenced in June 2016. The Municipality is still awaiting the Statement of Results

EMPLOYMENT EQUITY PLANS & IMPLEMENTATION REPORTS

- The Employment Equity Report (EE02 & EE04) was submitted on 12 January 2017
- The Employment Equity Forum was established on 19 January 2017
- The Employment Equity Forum compiled and approved an Employment Equity Plan (EE12) on 19 January 2017 which is in effect until 31 January 2018.

3.31 INFORMATION & COMMUNICATION TECHNOLOGY (ICT) SERVICES

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The establishment of ICT department within Karoo Hoogland Municipality to render a service to all departments through effective, efficient and cost effective systems and equipment that enhances the performance of these departments in service delivery to inhabitants, was not budgeted for. The ICT services are being delivered by SEBATA with regard to our telephone, network and financial system. However, the setup of email and internet are being done by regular staff with a little bit of knowledge in these fields.

Council has one server on which its systems run. These systems are for financial management, document management, prepaid services, security, connectivity and communication. E-natis vehicle registration management are done by Department Transport. Council business is conducted from 16 different buildings spread over the whole servicing area including the three towns. Within the some buildings a wired network connects as well as wireless network connects, the offices to a main switch connected to the servers.

The IT Department should support all system users, maintains equipment and is responsible for the purchasing of equipment either for replacement or new staff. Keeping track with technology changes is always challenging due to budget constraints. IT services are also being outsourced or contracted when needed as no specialized IT personnel is employed by KHM. There is no need to appoint a permanent specialized IT person as most of the IT work is done by SEBATA.

The following policies were adopted by Council on 29 August 2017 effective from 1 July 2017 to adhere to audit outcomes and to regulate the IT departments work:

a. Change Policy and Procedure (ITC)
b. Patch Management Policy and Procedure (ITC)
c. Internet Acceptable Use Policy (ITC)
d. Back-up Policy and Procedure (ITC)
e. Physical Protection of IT Facility Policy (ITC)
f. User Account Management Policy (ITC)
g. IT Risk Management Policy (ITC)

EXTRACT FROM COUNCIL MEETING MINUTES OF 29 AUGUST 2017:

18.3 DRAFT IT POLICIES

The policies were distributed to Council.

RESOLVED THAT :

ii. Council take note of the following policies;
iii. Council add the following to the Internet Acceptable Use Policy that when it is proven that a staff member of KHM was responsible for contaminating the systems of KHM that the person will be held responsible for the cost in this regard (4.3 adjusted);
iv. The following policies be approved and implemented from 1 July 2017;
    a. Change Policy and Procedure (ITC)
    b. Patch Management Policy and Procedure (ITC)
    c. Internet Acceptable Use Policy (ITC)
    d. Back-up Policy and Procedure (ITC)
    e. Physical Protection of IT Facility Policy (ITC)
    f. User Account Management Policy (ITC)
    g. IT Risk Management Policy (ITC)
v. That these policies be distributed to all personnel and that they sign for receipt thereof.

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

New PC's, Laptops and printers were purchased in the event the equipment had become redundant or uneconomical to repair. Some was purchased for new positions as the need arose. Our ICT equipment is mSCOA ready, only minor changes will be done with regards to Prepaid vending.

3.32 PROPERTY, LEGAL, RISK MANAGEMENT & PROCUREMENT SERVICES

LEGAL SERVICES

The Municipality does not have a separate division with personnel to attend to legal services. The Legal Services division/function delivers a supporting function to all directorates in the municipality. The division forms part of the Office of the Municipal Manager. This office handles all requests for legal advice and legal aid in respect of municipal matters. Some of these services are also outsourced or contracted.

This office is also responsible for the contracts of the municipality. A number of new contracts were concluded and contracts that expired were renewed.

RISK MANAGEMENT

Risk Management is the identification, assessment, and prioritization of risks through a structured and systematic process followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of risks. When properly executed risk management can provide reasonable assurance to Council and management that the municipality will be successful in achieving its objectives and goals.

Managing business risks associated with in the municipality is an ongoing process involving different levels within the organisation. Even though risks identified may have a low likelihood of occurring or controls are in place mitigating the risks, a continuous approach of monitoring and testing of controls needs to be done by management supported by the internal audit function.

The municipality started a shared services agreement with the District Municipality for Internal Audit Services. They only started their process in 2014/2015 and in 2015/2016 two risk evaluations were done. In 2015/2016 the Internal Audit Team did not perform as well as expected and certain issues will be addressed in this regard. In 2016/2017 other options for Internal Audit Services were explored and investigated to have this unit be fully functional and so that they can report to the Audit Committee.

This report serves as a basis in the preparation of the Internal Audit Plan as it highlights the business risks that management deems needs to be concentrated on first.

PROPERTY

The Council will develop a Property Disposal Policy in 2017/2018. However, some vacant erven have been advertised in 2013/2014 and are in the process of being sold and disposed of. Only 6 erven have been transferred to the new owners in 2015/2016. The other almost 63 will be done and finalised in 2017/2018. The municipality also received assistance from CoGHSTA to help home owners who cannot afford the transfer costs and who has been living in their homes for a long time now without their deeds to be transferred in their names. This process commenced in 2015/2016 and all three towns will benefit from this effort to finalise transferring of deeds to their owners. This process completion will depend on the active participation of the community and the municipality wishes to finalize this project by 2017/2018.

Financial Performance 2015/2016 : Properties			
Details	Original Budget	Actual	Variance to Budget
Total Operational Revenue	627,000	642,261	-2%
Expenditure			
Employee			
Repair and Maintenance	310,000	108,103	187%
Other	150,180	70,644	113%
Total Operational Expenditure	460,180	178,747	157%
Surplus /(Deficit)	166,820	463,514	

FINANCIAL PERFORMANCE 2016/2017 : PROPERTIES			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	R 322,200.00	R 219,539.00	-9%
Expenditure:			
Employees	R 0.00	R 0.00	-2%
Repair and Maintenance	R 20,000.00	R 18,150.00	2%
Other	R 30,000.00	R 26,300.00	17%
Total Operational Expenditure	R 50,000.00	R 44,450.00	
Surplus /(Deficit)	R 272,200.00	R 175,089.00	

SERVICE STATISTICS FOR PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

LEGAL SERVICES

Legal Advice was requested from external sources on quite a few matters. The Council used Van de Wall & Associates and GB Kempen & De Wet Nel in different cases and requests in the 2016/2017 year.

Council adopted and reviewed the following policies on 26 May 2017:

6.3 BY-LAWS & POLICIES : FINANCIAL ADMINISTRATION

Policies to which none amendments were made during the reviewing process :

a. Property Rates Policy
b. Credit Control Policy, Customer Care and bad debt
c. Indigent Policy (Deernis)
d. Budget Policy
e. Borrowing Policy
f. Write Off Policy
g. Gift and Reward Policy
h. Bank Investment and Interest Policy
i. Unauthorised, irregular, Fruitless and Wasteful Expenditure policy

j. Fraud Prevention Plan/Policy
k. Risk Management Strategy/ Policy
l. Road & Water Maintenance Policies

Policies to which <u>some amendments</u> were made during the reviewing process:

1. Subsistence and Traveling Policy *(Annual Travel tariff changes)*
2. Supply Chain Management Policy *(Prescribed changes from Provincial Treasury amended)*
3. Tariff Policy *(Tariffs changed)*
4. Ward Committee Policy *(Stipend changed to R500)*

RISK MANAGEMENT

Perform assessment as per approved risk assessment plan.

Report on findings on a quarterly basis should have been addressed in 2016/2017. However the report on the assessment from Provincial Treasury that was done in December 2016 was only received back in September 2017. Therefore it could only receive attention in 2017/2018. The MSCOA Risk Register was updated monthly since October 2015. The Risk register that was updated in July 2014 was revised and progress was reported on in 2016/2017.

RISK MANAGEMENT POLICY:

The objective of the risk policy is to ensure that a strategic plan is developed that assist management to make informed decisions which will:

- Improve the municipality's performance on decision making and planning;
- Promote a more innovative, less risk averse culture in which the taking of calculated risks in pursuit of opportunities to benefit the municipality is encourage;
- Provide a sound basis for integrated risk management and internal control a components of good corporate governance;
- Promote a reporting system which will facilitate risk reporting; and
- Promote an effective culture of risk assessment.
- Progress on the Risk register should be reported quarterly and preventative measures should be put in place.
- Internal Audit should be established to be able to apply risk management effectively.

Risk Management Strategy:

The roles and responsibilities of all stakeholders are clearly defined in the approved risk management strategy

e.g Council; Accounting Officers; Risk Management Committee; line managers; Internal Audit; Risk Officer.

Risk Management Methodology:

The risk management processes are clearly defined in the risk management framework.

Risk Management Committee Charter:

Is about the roles and responsibilities of the committee amongst others:

a) To ensure that risks are managed and monitored effectively;
b) To evaluate reports from the concerned departments;
c) Review annually the risk management policy, charter, framework and strategy and recommend it for approval by Council and the Accounting Officer;

d) Review the institution's risk identification and assessment methodologies to obtain reasonable assurance of the completeness and accuracy of the risk register;
e) Report to the Accounting Officer any material changes to the risk profile of the Institution;
f) Review any material findings and recommendations by assurance providers on the system of risk management and monitor that appropriate action is instituted to address the identified weaknesses.

Risk management implementation plan (No Plan in place)

Outline Karoo Hoogland Local Municipality risk management activities that will be carried out in the 2016/2017 financial year. The risk management implementation plan for the Municipality should hereby be prepared to give effect to the implementation of the risk management policy and strategy and to sets out all risk management activities planned. However this area lacked attention due to no Internal Audit Unit or assistance from the District and sector Departments. This is a high risk area and should enjoy serious attention in the 2017/2018 year. Risk Evaluation should be done annually with assistance from Provincial Treasury.

COMPONENT J : MISCELLANEOUS

3.33 AIRFIELDS

Karoo Hoogland Municipality has one registered/licensed Airfield in Williston. However it was deregistered/delicensed in 2015/2016 because the maintenance cost is too high as well as the insurance. It is foreseen that the maintenance of the airfield will be privatized in 2017/2018.

Sutherland also has a privately owned airfield as well as a municipal airfield which are not registered. Sutherland municipal airfield was leased in 2017/2018 to Otto Gerntholtz. A Contract is in place.

COMPONENT K : ORGANISATIONAL PERFORMANCE SCORECARD

3.34 MUNICIPAL SCORECARDS

The Annual Performance Report for 2016/2017 is attached as Volume II. However no Performance Management System is in place at the municipality and therefore the Annual Performance report are deemed to not be accurate and trustworthy. It is however only a report of what was done in the 2016/2017 reporting on the SDBIP for the year. This area was identified in the Auditor General Report on the 2016/2017 year and will need to be prioritized as it is a crucial area to monitor the performance of personnel and the municipality in total. Consultants were appointed through a quotation request form to assist the municipality to set up a viable SDBIP, performance management system and policies to regulate this performance management unit and to record the evidence for reporting. Scorecards will also be developed for reporting to be done on a uniform and more effective manner.

3.35 PERFORMANCE MANAGEMENT

See 3.34 for the measures to be taken in 2017/2018. An electronic system are also being investigated so that evidence can be submitted and stored electronically.

3.36 B2B REPORTING

Monthly reporting on the Back 2 Basics template received from National Treasury are done regularly. However no feedback from this reporting has ever been received and the municipality do not find this reporting to be effective when no feedback are being received. The reports submitted are attached as Volume VIII.

3.37 FREE BASIC SERVICES REPORTING

Government's Free Basic Service (FBS) commitment was borne out of numerous debates on ways to address the needs of the masses of impoverished citizens of South Africa. The right of all citizens to have at least a basic level of service is a right that is entrenched within the South African Constitution (Act 108 of 1996). This right has been actualized in government's commitment towards the provision of Free Basic Water (FBW), Free Basic Sanitation (FBSan) and Free Basic Electricity (FBE) to economically disadvantaged communities (indigents).

The Department of Co-Operate Governance Human Settlements and Traditional Affairs (COGHSTA) is commissioning a provincial study to provide information and insight on the implementation status of municipalities, challenges experienced and support required.

A number of difficulties were highlighted in relation to the provision of FBS in existing documentation. These included the following:

- Statistics available do not provide a detailed picture of FBS at municipal level in the Northern Cape Province.
- There is a lack of information on the challenges faced by municipalities in delivering FBS.
- The impacts that FBS has on poverty is unknown.
- Information on which municipalities is experiencing difficulties and would require support in rolling out FBS is absent.

In rolling out of the study, COGHSTA require municipalities to completing the following templates monthly:

1. Municipal Free Basic Services assessment form.
2. Indigent statistical information.

Karoo Hoogland Municipality submit these monthly reporting templates regularly. Herewith an extract of the information requested in these reports and the municipalities status with reference to these questions:

POLICY DEVELOPMENT	
Indigent Policy	YES, Annually revision : 26 May 2017
Free basic water policy (including assessment of free basic water in a Rural Context and Free Basic Water Implementation for Farm dwellers)	YES, included in Indigent Policy, - not a separate policy
Free Basic Sanitation Policy	YES, included in Indigent Policy, - not a separate policy
Free Basic Electricity Policy (including Free Basic Alternative Energy)	YES, included in Indigent Policy, - not a separate policy
Free basic Refuse Removal Policy	YES, included in Indigent Policy, - not a separate policy
Credit Control and Debt Collection Policy	YES, Annual revision : 26 May 2017

FREE BASIC SERVICES INSTITUTIONAL ARRANGEMENTS	
Mechanisms to manage and monitor Free Basic services	Indigent Policy and monthly application forms

REGULATION		
Services bylaws with conditions as required by the acts.	Not in place - only Property Rates bylaw annually gazette	Would like assistance with regards to system monitoring and compliance
Mechanisms to ensure compliance with bylaws	Policies to ensure compliance annually revised, however still in the process of reviewing necessary bylaws	Would like assistance with regards to system monitoring and compliance
Registration of landfill sites	Fraserburg landfill registered - - AECOM appointed by the Dept of Environmental Affairs to register Williston and Sutherland landfill sites. – Williston and Sutherland Landfill sites received their licenses in 2016/2017. Sector Departments to assist to fund business plans to comply with license specifications and conditions.	
WATER CONSERVATION AND DEMAND MANAGEMENT		
Water conservation and demand management strategy	Not in place	Would like some assistance in this regard
PERFORMANCE MANAGEMENT AND MONITORING		
Performance management systems with FBS kpa's	Not in place - monitored by provincial treasury	Would like some assistance in this regard
Water service monitoring and evaluation (M&E) system	Not in place - to review and update Water Services Development Plan in 2015 November - updating the information - was tabled to Council in March 2016 and was adopted by Council on 26 April 2016 – This plan was also captured electronically by DWS in 2016/2017	

All indigents benefit from Free Basic Services.

3.38 SERVICE DELIVERY PERFORMANCE REPORTING

Quarterly Service Delivery Performance Reports pre-set up by Provincial Treasury are being received annually which focus on infrastructure. These documents must then be populate for the year ahead and then quarterly targets should be set and reported on quarterly to keep track of performance. The municipality submit these reports within a month after a quarter. It should however also be tabled to Council but because of all the other reporting and the information in this report also in the Director : Infrastructure's Report tabled at Council meetings and committee meetings these reports have not been tabled. It will be a priority in 2017/2018.

The Report for the Quarter 4 are attached as Volume XII.

3.39 CONTRACT MANAGEMENT

Contract Management is a function in the Office of the Municipal Manager. To manage the administration of contracts to ensure compliance with contractual terms and conditions. This function is however partially attended to by the Manager: Administration. Contract management has found to be a very difficult issue since 2010 because of the following:

- No policies that regulate a specific process and procedure to ensure open, transparent and equal opportunity for the community to be able to lease or rent from the municipality.
- Different Municipal Managers have different opinions and procedures which they deem to be correct
- Different Standards and legislation need to be adhered to.

These issues has now become priorities and the need for a policy to be drafted and approved by Council on how to regulate these processes and contracts will be addressed in 2017/2018.

Currently property are being leased from the municipality and current personnel have to work with old outdated contracts. The Municipality are in the process of getting their contract management up to date and also implementing the legislation where it has previously not been adhered to.

A Contract Register are being kept and updated as well as monitored quarterly to ensure compliance with the terms and conditions.

However, more effective control measures need to be put in place to ensure full compliance and a more transparent and uniform procedure to follow.

CHAPTER 4

ORGANISATIONAL DEVELOPMENT PERFORMANCE

INTRODUCTION

The Organizational Structure was reviewed in January 2014 by Council to decrease the amount of posts and directors to be able to have an affordable organogram but that will still deliver all the functions. Management retained a healthy relationship with employees by meeting with recognized labour unions on the Local Labour Forum. The new Organogram was approved on 9 December 2015. Placements onto the new organogram commenced in June 2016.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVERS AND VACANCIES

There are 93 posts approved on the current organogram and there are currently 23 vacancies on the approved organogram. Due to budget constraints the Municipality is not able to appoint all personnel as indicated on the approved organogram however it will be addressed in 2017/2018.

Karoo Hoogland Municipality underwent a Work-study process to revise the organizational structure in 2013/2014 for implementation in 2015/2016 financial year. Karoo Hoogland Municipality recognized the significance and importance of the development and management of its employees in order to deliver an optimal service to the community.

STAFFING AND MANAGEMENT PROFILE

- The total staff complement as at 30 June 2017 was 70 permanent employees.
- 2 Financial Interns were employed at 30 June 2017

STATUS OF MANAGERIAL POSITIONS AS AT 30 JUNE 2017

- Municipal Manager was appointed in November 2013 (contract ended on 30 June 2017)
- Director: Corporate Services was vacant since May 2014, However on the new organogram the Directorate Corporate Services do not have a director.
- Director: Infrastructure Services appointed on 1 June 2016 – he was acting since September 2011
- Director: Financial Services was appointed on 1 July 2016 – on a 5year contract

Employees 2016/2017				
	2015/2016	2016/2017		
Description	Employees	Approved Posts	Employees	Vacancies
	No.	No.	No.	No.
Water	10	3	3	0
Waste Water (Sanitation)	20	10	6	4
Electricity	2	3	1	2
Refuse	0	13	7	6
Roads	10	20	16	4
Finances	15	17	17	0
Planning (Strategic & Regulations)	0	3	3	0
Community Services	11	13	8	5
Corporate Offices and Other	18	11	9	2
Totals	86	93	70	23
Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June.				T4.1.1

COMPONENT B :
MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The Municipal Manager held meetings with all employees in the three directorates to explain service delivery objectives and priorities. The municipality complied with all collective agreements and all core policies are in place. Bi-Monthly meetings of managers and supervisors took place to discuss workforce management issues. In 2016/2017 one personnel meeting per town were held in the form of a HR Workshop during the year. LLF meetings were regularly held and the organogram consultation process started in May 2014 and was finalized during July/August 2015 with the personnel.

4.2 POLICIES

HR Policies and Plans Target (Old policies, Needs revision, New, Draft)
0% = Not in place
100% = In place

	NAME OF POLICY	STATUS 2015/2016	2016/2017 ACHIEVED	2017/2018 TO RECEIVE ATTENTION
		%		
1	Affirmative Action	0.00%	0.00%	DRAFT
2	Attraction and Retention	0.00%	0.00%	DRAFT
3	Code of Conduct for employees	100.00%	100.00%	100.00%
4	Delegations, Authorisation & Responsibility	100.00%	100.00%	100.00%
5	Disciplinary Code and Procedures	100.00%	100.00%	100.00%
6	Essential Services	0.00%	0.00%	DRAFT
7	Employee Assistance / Wellness	0.00%	0.00%	DRAFT
8	Employment Equity	70%	90%	100%
9	Exit Management	0.00%	0.00%	DRAFT
10	Grievance Procedures	100.00%	100%	100%
11	HIV/Aids	100.00%	100%	100%
12	Human Resource and Development	40%	70%	100%
13	Information Technology	85%		100%
14	Job Evaluation	85%		100%
15	Leave	100.00%	100%	100%
16	Occupational Health and Safety	70%	90%	100%
17	Official Housing	0.00%	0.00%	REVISION OF OLD
18	Official Journeys	0.00%	0.00%	Included within Travel and Subsistence Policy
19	Official transport to attend Funerals	0.00%	0.00%	0.00%
20	Official Working Hours and Overtime	100.00%	100.00%	REVISION
21	Organisational Rights	100.00%	100.00%	100.00%
22	Payroll Deductions	75%	80%	100.00%
23	Performance Management and Development	15%	25%	100.00%
24	Recruitment, Selection and Appointments	70%	85%	100.00%
25	Remuneration Scales and Allowances	70%	85%	100.00%
26	Resettlement	100.00%	100.00%	100.00%
27	Sexual Harassment	100.00%	100.00%	100.00%
28	Skills Development	45%	70%	100%
29	Smoking	80%	95%	100%
30	Special Skills	0.00%	0.00%	DRAFT
31	Work Organisation	0.00%	0.00%	DRAFT
32	Uniforms and Protective Clothing	15%	90%	100%
33	Other:			
34	Telephone Policy	100%	100%	REVISION

PERSONNEL AND HR POLICIES THAT WAS DISCUSSED AT THE LLF LEVEL AND WITH PERSONNEL MEETINGS IN MARCH 2016 AND WAS IMPLEMENTED IN 2015/2016 AND STILL EFFECTIVE:

PERSONEELBELEIDE:

a. Waarneming
b. Prosedure vir die aanstelling van personeel deur die MB (10 April 2014)
c. Seksuele teistering
d. Studente-werk
e. Verlofbeleid & prosedure
f. Incapacity: Poor work performance policy
g. Incapacity: ill health and Injury Policy
h. Attendance and Punctuality Policy

GENERAL POLICIES STATUS

Name of Policy	Date adopted by Council	STATUS
AMPTELIKE WERKSURE / OFFICIAL OFFICE HOURS	10 JULIE 2001	NEED REVISION
ARGIEF / ARCHIVE	10 JULIE 2001	NEED REVISION
ARMLASTIGE BEGRAFNISSE/ INDIGENT FUNERALS	10 JULIE 2001	NEED REVISION
BANKFASILITEITE & TEKENMAGTE / BANKING FACILITIES & SIGNING AUTHORITY (REVIEWED AND UPDATED – 2016/2017)	10 JULIE 2001 15 MEI 2013	SYSTEM OF DELEGATIONS REGULATES ANNUAL REVISION
BATEBESTUUR / ASSET MANAGEMENT (REVIEWED AND UPDATED – 2016/2017)	5 DESEMBER 2001	IN PLACE
GEBRUIK VAN ALKOHOLIESE DRANK / USE OF ALCOHOL (REVIEWED AND UPDATED – 2016/2017)	9 JUNIE 2005	NEED REVISION
GELYKE GELEENTHEDE / EQUAL OPPORTUNITIES (REVIEWED AND UPDATED – 2016/2017)	10 JULIE 2001	NEED REVISION
INTERNET	29 AUGUSTUS 2002	NEED REVISION
KOMMUNIKASIE / COMMUNICATION	31 JANUARIE 2007	NEED URGENT REVISION
KORRESPONDENSIE / CORRESPONDENCE (REVIEWED – 2016/2017)	10 JULIE 2001	NEED URGENT REVISION
MEDIA	29 AUGUSTUS 2002	NEED REVISION
MIGRASIE / MIGRATION (RELOCATION)	10 JULIE 2001	IN PROCESS
REIS & VERBLYF / TRAVEL & SUBSISTENCE (REVIEWED AND UPDATED AND APPROVED – 2016/2017)	NUUTSTE VORM: JUNIE 2013, *15 NOVEMBER 2011* 29 AUGUSTUS 2002 10 JULIE 2001	ANNUALLY UPDATED - LAST APPROVED ON 13 JULY 2016
RENTE / INTEREST	10 JULIE 2001	NEED REVISION
SELFOON / CELLPHONE	10 JULIE 2001	NEED REVISION

SPORT	3 NOVEMBER 2004	NEED REVISION
STRAATHANDEL / INFORMELE HANDEL / INFORMAL STREET VENDORS / BY-LAW	4 JUNIE 2002	COUNCIL WILL REVISIT IN 2017/2018
STRATE / STREETS		NEED REVISION
SUBSIDIE VIR BEHOEFTIGE HUISHOUDINGS / INDIGENT HOUSING SUBSIDY (REVIEWED AND UPDATED – 2016/2017)	10 JULIE 2001	ANNUALLY REVIEWED
UITDIENSTREDINGSBONUSSE / RETIREMENT BONUS	10 MAART 2004	
VERBOD OP & BEHEER OOR DIE AFVURING VAN VUURWERKE / CONTROL OF FIREWORKS	23 JUNIE 2004 & 30 JUNIE 2004 10 MAART 2004	NEEDS TO BE PROMULGATED – BY-LAW
VERHURING VAN AMPTELIKE WONINGS / RENTAL OF OFFICIAL HOUSES (REVIEWED AND UPDATED – 2016/2017)	10 JULIE 2001	REVIEWED IN 2016/2017
VOERTUIE / VEHICLE	10 JULIE 2001	URGENT REVISION
VOORKOMING & ONDERDRUKKING VAN OORLASTE / PREVENTION OF NUISANCES		NEED TO BE REVISED AND PROMULGATED AS BY-LAW
WATERDIENSPLAN / WATER SERVICES PLAN	DRAFT	2016/2017 DRAFT APPROVED – NEED TO PROMULGATE
WET OP BEVORDERING VAN TOEGANG TOT INLIGTING / ACCESS TO INFORMATION – MANUAL AND POLICY	2015/2016	IN PLACE - NEED REVISION IN 2018/2019
MEENTBELEID / COMMONAGE POLICY		NEED REVISION IN 2017/2018

NEW & REVISED POLICIES 2014/2015 AND IN 2015/2016

a) Tarrif Policy
b) Write Off Policy
c) Indigent Policy
d) Budget Policy
e) Property Rates Policy
f) Customer Care, Credit Control and Debt Collection Policy
g) Banking, Investment and Interest Policy
h) Borrowing Policy
i) Subsistence and Travelling Policy
j) Supply Chain Management Policy
k) Unauthorised, Irregular, Fruitless and Wastefull Policy
l) Gift and Rewards Policy
m) System of Delegations

POLICIES DEVELOPED AND APPROVED IN 2015/2016 & 2016/2017

- Asset Management Policy
- Supply Chain Management Policy
- IT Security & Management Policy

DRAFT POLICIES THAT WERE ADVERTISED AND WENT THROUGH THE PUBLIC PARTICIPATION PROCESS AND ARE READY TO BE PROMULGATED 2017/2018:

a) By-Law : The Council's Caravan Parks
b) By-Law : Advertising Signs
c) By-Law : Parking of Heavy Vehicles and Caravans
d) Wetstoepassing
e) Begraafplase
f) Elektrisiteit
g) Beheer oor aanhou van honde (Promulgated on 7 November 2016)
h) Beheer oor aanhou van diere, pluimvee en bye

4.3 INJURIES, SICKNESS AND SUSPENSIONS

NUMBER OF DAYS AND COST OF SICK LEAVE (EXCLUDING INJURIES ON DUTY)				
	2015/2016		2016/2017	
	Total sick leave	Proportion of sick leave without medical certification	Total sick leave	Proportion of sick leave without medical certification
Salary band	Days	%	Days	%
Lower skilled (Levels 1-2)	566	76%		
Skilled (Levels 3-5)	20	15%		
Highly skilled production (levels 6-8)	39	20%		
Highly skilled supervision (levels 9-12)				
Senior management (Levels 13-15)	125	0%		
MM and S57	15	0%		
Total	765			

**The 2016/2017 Information have not been received by 13:00 on 26 January 2018 when the full Annual Report was completed. Information will be updated when received.

COMMENT ON INJURY AND SICK LEAVE:

No fatal accidents occurred in the work place. The municipality complied with the requirements of the Occupational Health and Safety Act. Training was provided to employees who work in confined spaces. Employees working with chemicals and those that are exposed to sewerage were sent form medical testing. Workers who became permanently incapacitated were assisted to apply to the pension funds for disability benefits.

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

No employees were suspended for fraud and theft. No cases were reported.

4.4 PERFORMANCE REWARDS

No system for performance rewards is in place.

COMPONENT C : CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The main focus for the year was compliance with the Minimum Competency Regulations for Senior and Middle Managers. However, sufficient training was not done and necessary training still need to be done. Training for Councillors, LLF members, Infrastructure personnel and training on the new EMS Financial system from SEBATA were done in 2016/2017.

4.5 SKILLS DEVELOPMENT & TRAINING & MINIMUM COMPETENCY LEVEL REPORTING

This information is attached as Volume X.

COMPONENT D : MANAGING THE WORKFORCE EXPENDITURE

4.6 EMPLOYEE EXPENDITURE

The personnel expenditure information is attached as per the Annual Financial Statements Table SA22 - please refer to Volume VI.

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

No posts were upgraded during the year and there was no variance from normal practice. Only placements onto the new Organogram were being finalised.

DISCLOSURES OF FINANCIAL INTERESTS

All directors and Councillors declared their financial interests as prescribed in the performance Regulation 805 of 2006. (Annexure J)

CHAPTER 5
FINANCIAL PERFORMANCE

STATEMENTS OF FINANCIAL PERFORMANCE

This Key Performance Area is without any doubt the most important one, since no business or organization can fulfill its obligations without financial resources and sound financial management. The performance of Karoo Hoogland during the year under review must be benchmarked against the performance during the previous financial years.

While the 2008/09 and 2009/10 and especially 2010/11 saw a major improvement in the financial results and the Audit opinion, the 2011/12 and 2012/13 showed a drastic decline in both the administration and financial viability of the Council.

The Budget and IDP were approved within the time limits and further financial constrains were put in place to ensure that the Municipality can adhere to its obligations. The municipality is still depending on grants for any major projects.

The Annual Financial Statements provides an overview of the financial performance of the municipality for the year under review and focuses on the financial health of the municipality as at year-end 30 June 2017.

Herewith a summary of the past years' audit opinions and qualifications to compare and point out the major improvements:

YEAR	2012/2013	2013/2014	2014/2015	2015/2016
Opinion	Disclaimer	Disclaimer	Qualified	Qualified
Accumulated Surplus	✓	✓		
PPE	✓	✓	✓	✓
Commitments	✓	✓	✓	
Revenue Exchange	✓			
Revenue Non-Exchange	✓			
Trade Receivables	✓	✓		
Other Receivables	✓	✓		
Irregular	✓	✓		
LT Liabilities	✓	✓		
Trade Payables	✓	✓		
Other Grant Expenditure	✓			
Unauthorised Expenditure	✓	✓		
Contingent Liabilities	✓	✓		
Cashflow	✓	✓	✓	
Taxes		✓	✓	
Unpaid Grants		✓		
Unspent Grants		✓		
Expenses		✓		
Employee Benefits		✓		
Fruitless		✓	✓	
Prior Period Errors		✓		
Investment Property				✓
TOTALS	14	18	5	2

5.1 STATEMENT OF FINANCIAL PERFORMANCE

Table A1 Budget Summary added here.

5.2 GRANTS

Grants received were spent during the period under review. (2016/2017)

Grant Performance 2015/2016					
	'000				
Description	2014/2015 Actual	2015/2016 Budget	2015/2016 Adjustment	2015/2016 Actual	Variance %
Operating Transfers and Grants					
National Government:	**17,403**	**18,542**	**18,542**	**18,542**	**0%**
Equitable Share	14,669	15,812	15,812	15,812	0%
MSIG	934	930	930	930	0%
FMG	1,800	1,800	1,800	1,800	0%
Provincial Government:	**2,254**	**3,235**	**3,235**	**3,174**	
LG SETA	7	-	-	-	-
EPWP	1,348	1,000	1,000	1,000	0%
RBIG	-	522	522	522	0%
LDF	899	1,713	1,713	1,652	-4%
Total operating Transfers and Grants	19,657	21,777	21,777	21,716	

GRANT PERFORMANCE 2016/2017					
	'000				
Description	**2015/2016 Actual**	**2016/2017 Budget**	**2016/2017 Adjustment**	**2016/2017 Actual**	**Variance %**
Operating Transfers and Grants					
National Government:	**18,542**	**17,963**	**17,423**	**17,423**	**0%**
Equitable Share	15,812	16,138	15,598	15,598	0%
MSIG	930	-	-	-	0%
FMG	1,800	1,825	1,825	1,825	0%
Provincial Government:	**3,181**	**2,713**	**3,046**	**2,978**	
LG SETA	7	-	-	-	-
EPWP	1,000	1,000	1,000	1,000	0%
RBIG	522	-	-	-	0%
LDF	1,652	1,713	2,046	1,978	3%
Total operating Transfers and Grants	**21,723**	**20,676**	**20,469**	**20,401**	

5.3 ASSETMANAGEMENT

The Municipality had an outdated Asset Management Policy and Asset Register from 2010 in place. In 2014/2015 the municipality started processes to procure a tender from another municipality to upgrade and update our Asset Management Register. The Asset Management Policy was revised during 2015/2016 and the process of updating and unbundling assets commenced in 2015/2016 and continued in 2016/2017.

Repairs and Maintenance 2015/2016					
	000				
Description	2014/2015 Actual	2015/2016 Budget	2015/2016 Adjustment	2015/2016 Actual	Variance %
Repairs and Maintenance	3076	2028	2028	1508	-34%

Repairs and Maintenance 2016/2017					
	'000				
Description	**2015/2016 Actual**	**2016/2017 Budget**	**2016/2017 Adjustment**	**2016/2017 Actual**	**Variance %**
Repairs and Maintenance	1508	2560	2560	1779	43%

Asset management is undertaken in terms of the MFMA and based on a comprehensive asset management policy that was revised during 2016/2017. The Asset Management Policy provides direction for management to monitor, purchase, account, control and dispose of Assets (PPE, Investment Property, Intangible Assets and Heritage Assets) to ensure that:

There is full implementation of the approved Asset Management Policy as required in terms of section 63 of the MFMA.
* To verify assets in possession of the Council annually and during the course of the financial year.
* To keep a complete and balanced record of all assets in possession of the Council.
* To ensure the report in writing of all asset losses, where applicable.
* That assets are valued and accounted for in accordance with a statement of GRAP.
* That assets are properly maintained and safeguarded.

SPENDING AGAINST CAPITAL BUDGET

5.4 CAPITAL EXPENDITURE

The funding for the capital budget is derived from Grants. All funds received were spent.

MIG R 7 744 000
RBIG -

Capital Expenditure 2015/2016					
	'000				
Description	2014/2015 Actual	2015/2016 Budget	2015/2016 Adjustment	2015/2016 Actual	Variance %
MIG	8890	8005	8005	5540	-56%
RBIG	1920	522	522	522	0%

Capital Expenditure 2016/2017					
	'000				
Description	**2015/2016 Actual**	**2016/2017 Budget**	**2016/2017 Adjustment**	**2016/2017 Actual**	**Variance %**
MIG	5541	7744	7744	7744	0%
RBIG	522				0%

LARGEST PROJECTS 2016/2017

Sutherland Sport Facilities (MIG 1307)
Williston Borehole Phase 1 (WSIG)
Sutherland Bulk Water Network(MIG)
Sutherland Water Reticulation Network (MIG)
Sutherland Rebelskop Stormwater Upgrade

Also see Annexure F for the Projects per Ward

CASH FLOW MANAGEMENT AND INVESTMENTS

5.5 CASH FLOW

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Cash flow management is the process of monitoring, analyzing, and adjusting the municipality's cash flows. The most important aspect of cash flow management is avoiding extended cash shortages, caused by having too great a gap between cash inflows and outflows. CASHFLOW OUTCOMES

***Table B7 Adjustments Budget Cash Flows – 2016/2017*

Description	Audited Outcome 2015/2016	Current Year 2016/2017			
R thousands		Original Budget '000	Other Adjusts.	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Property rates, penalties & collection charges	5,325.00	6,678	2,700	9,378	5,815
Service charges	15,175.00	20,809	(700)	20,109	16,333
Other revenue	1,782.00	1,405		1,405	1,558
Government - operating	21,193.00	21,246	(540)	20,706	21,727
Government - capital	6,133.00	9,344		9,344	9,414
Interest	1,155.00	961		961	1,019
Dividends		–		–	–
Payments				–	
Suppliers and employees	-37,740.00	(45,429)	(2,800)	(48,229)	(44,909)
Finance charges	-289.00	(305)		(305)	(305)
Transfers and Grants	-256.00	(4,865)	1,340	(3,525)	(5,165)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**12,478**	**9,844**	**–**	**9,844**	**5,486**
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE		–		–	
Decrease (Increase) in non-current debtors				–	
Decrease (increase) other non-current receivables	-			–	
Decrease (increase) in non-current investments				–	
Payments				–	
Capital assets	-6133	(9,344)		(9,344)	(9,414)
NET CASH FROM/(USED) INVESTING ACTIVITIES	-6133	**(9,344)**	**–**	**(9,344)**	**(9,414)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
Short term loans				–	
Borrowing long term/refinancing				–	
Increase (decrease) in consumer deposits				–	
Payments				–	
Repayment of borrowing	-289	(305)		(305)	(305)
NET CASH FROM/(USED) FINANCING ACTIVITIES	-289	**(305)**	**–**	**(305)**	**(305)**
NET INCREASE/ (DECREASE) IN CASH HELD		**195**	**–**	**195**	**(4,233)**
Cash/cash equivalents at the year begin:		3,520		3,520	2,975
Cash/cash equivalents at the year end:	-6503	3,715	–	3,715	(1,258)

5.6 BORROWING AND INVESTMENTS

No funds were borrowed under the period of review.

DBSA Long Term Liability

BORROWING 2016/2017			
	'000		
Description	**2014/2015**	**2015/2016**	**2016/2017**
DBSA Non Current	2454	2268	2012
DBSA Current	201	182	161
Finance Leases	196	301	406

INVESTMENTS 2016/2017			
	'000		
Description	**2014/2015**	**2015/2016**	**2016/2017**
Deposits Bank	2913	6503	3520

OTHER FINANCIAL MATTERS

5.7 SUPPLY CHAIN MANAGEMENT

Due to the limited number of suppliers in the region it happens often that goods and services are procured from the sole suppliers. During the previous periods under review the then Municipal Manager flaunted SCM regulations on a few occasions and were contractors appointed without following the correct procedures. These transgressions were pointed out in previous Annual Financial Statements for review by the Auditor – General.

The Supply Chain Policy was revised and updated to new Regulations in this regard. The municipality has made significant strides to ensure that the policies and procedures have been adhered to. Important vacancies have been filled, and computer software has been advanced to ensure transparency within the municipality. Turnaround strategies and Action Plans have been developed to address short comings in the SCM units and regular audits are performed to address potential risk in the municipality. The municipality prides itself in complying with the MFMA Act No 56 of 2003 and the SCM policy.

Other matters that we need to adhere to were the following:

1. Goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations as required by SCM Regulation 17(a) & (c). (Addressed in 2016/2017)
2. Goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM Regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM Regulation 36(1). (Addressed in 2016/2017)

3. Construction projects were not always registered with the Construction Industry Development Board (CIDB), as required by section 22 of the CIDB Act, 2000 (Act No. 38 of 2000) and CIDB Regulation 18. (Addressed in 2015/2016)
4. Contracts and quotations were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, as required by SCM Regulation 43. (Addressed in 2015/2016)
5. Awards were made to providers who are in the service of other state institutions or whose directors are in the service of other state institutions, in contravention of MFMA 112(j) and SCM Regulations 44. Similar awards were identified in the prior year and no effective steps were taken to prevent or combat the abuse of the SCM process in accordance with SCM Regulation 38(1). (Addressed in 2015/2016)

5.8 GRAP COMPLIANCE

Karoo Hoogland Municipality's Annual Financial Statements is fully GRAP compliant. The Financial Statements for 2014/2015 were compiled by the then Acting CFO Mr. SJ Myburgh with assistance from Nexia SAB&T whose services was procured from another municipality's tender processes. The 2015/2016 AFS were also compiled by the CFO, Mr SJ Myburgh (Appointed on contract from 1 July 2016) with assistance from Nexia SAB&T as well as the 2016/2017 AFS.

GRAP is the acronym for Generally Recognized Accounting Practice. GRAP sets the rules and formats by which municipalities are required to maintain their financial accounts. Various GRAP standards have been incorporated in the Annual Financial Statements.

CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A : Auditor General Opinion of Financial Statements : 2015/2016

6.1 Auditor General Reports: 2015/2016 & Previous years

Herewith a summary of the past years' audit opinions and qualifications to compare and point out the major improvements:

YEAR	2012/2013	2013/2014	2014/2015	2015/2016
Opinion	DISCLAIMER	DISCLAIMER	QUALIFIED	QUALIFIED
Accumulated Surplus	⍰	⍰		
PPE	⍰	⍰	⍰	⍰
Commitments	⍰	⍰	⍰	
Revenue Exchange	⍰			
Revenue Non-Exchange	⍰			
Trade Receivables	⍰	⍰		
Other Receivables	⍰	⍰		
Irregular	⍰	⍰		
LT Liabilities	⍰	⍰		
Trade Payables	⍰	⍰		
Other Grant Expenditure	⍰			
Unauthorised Expenditure	⍰	⍰		
Contingent Liabilities	⍰	⍰		
Cash flow	⍰	⍰	⍰	
Taxes		⍰	⍰	
Unpaid Grants		⍰		
Unspent Grants		⍰		
Expenses		⍰		
Employee Benefits		⍰		
Fruitless		⍰	⍰	
Prior Period Errors		⍰		
Investment Property				⍰
TOTALS	14	18	5	2

COMPONENT B : Auditor General Opinion for 2016/2017

6.2 Auditor General Report 2016/2017

The Final Management Report and Report of the Auditor General for 2016/2017 is attached as Volume III.

Audit Opinion for 2016/2017: Qualified